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# CBS as CIA CIA Rebels Supply U.S. Heroin Chemical Warfare in Afghanistan Iraq-Iran War AIFLD in El Salvador Rightwing Terror in Guatemala

**USIA/ICA:** Arrowhead

of Penetration

Colonia Dignidad: New Revelations

Fingermen Are All Thumbs

**CIA** in Turkey

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## **Editorial**

Due to public opposition and despite intense illegal lobbying by the CIA, the "Intelligence Identities Protection Act" failed to reach a floor vote in Congress before it recessed. HR5615 and S2216 would make it a crime to disclose information leading to the identification of CIA and FBI officers, agents and informers, even if the information which led to the identification was already public.

Some Senators and Representatives are opposed to the present bills because they are unconstitutional. Others argue that the bills are not strong enough. Unfortunately for the public, both the former and the latter still want to see some version of the bills passed.

CounterSpy believes that the only principled and constitutional position is total opposition to any version of the socalled "Intelligence Identities Protection Act". Moreover, exposure of FBI and CIA activities is one of the few protections for persons targeted by CIA and FBI operations, particularly in foreign countries.

Since the CIA and the FBI have not changed, it is as crucial and urgent as eyer for the press to examine and write more about the CIA and FBI, not less. Any version of HR5615 and S2216 would reduce, if not eliminate, these vitally needed exposes. Therefore, CounterSpy is flatly opposed to the so called "Intelligence Identities Protection Act" and urges concerned people to work actively to stop HR5615 and S2216.

The controversy surrounding HR5615 and S2216 has resurrected the question of the relationship between the CIA and the media. The consequences of CIA-media affiliation were illustrated at a CounterSpy press conference on September 25, 1980. CounterSpy disclosed that Kennett Love was involved with the CIA's 1953 coup in Iran while he was a New York Times reporter. (For the complete story, see CounterSpy, vol. 4 no. 4.) The devastating aftermath of that CIA coup is a matter of public record.

In response to the press conference, the New York Times issued a statement of considerable import:

"No editor or executive of this paper has any knowledge of what Love was supposed to have done 27 years ago. What every editor and executive of this paper does know, however, is that The New York Times has an absolute rule against any reporter working for any government agency. This paper has repeatedly urged President Carter to reverse the CIA's present policy of permitting use of journalists as agents when the Director of Central Intelligence approves. "We are confident that no member of The New York Times would agree to be used by the CIA. But not until the CIA's policy is publicly reversed will there be a total confidence abroad that the CIA and other government agencies are respecting the spirit of the First Amendment and not getting involved with the press."

CounterSpy believes that the New York Times' "absolute rule" position is a response to past abuses of the Times by the CIA. In other words, Times employees have worked with the CIA and found it impossible to serve both the CIA and the requirements of honest journalism. Thus, the Times' absolute opposition to CIA involvement is doubly important: it is based on both a theoretical analysis and an actual history of involvement with the CIA.

CounterSpy fully supports this absolute opposition to CIA involvement with the media; and recommends that all other components of the media follow the example of the Times in this regard.

In order to further debate on the CIA and the media and to encourage other sectors of the media to follow the stated position of the New York Times, Counter—Spy is featuring three articles which highlight the need to sever all ties between the media and U.S. government agencies, especially the CIA.

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## CBS as CIA by John Kelly

(Ed. note: John Kelly is the author of the forthcoming book, The CIA in America, from which this article is excerpted.)

CBS Television has announced plans for a new show to be aired in 1981: The CIA. Five years ago, Larry Thompson met quietly with then CIA Director William Colby and then ABC head Fred Silverman to lay the groundwork for such a show. I Thompson is now the executive producer for CBS's The CIA.

Thompson is being assisted by Gerald Ford's former jokewriter, Don Penny, and screenwriter Edward Anhalt. <sup>2</sup> Additional "technical assistance and advice" is being provided by the Association of Former Intelligence Officers, <sup>3</sup> an organization full of ex-CIA officers such as David Phillips who ran many propaganda and psychological warfare operations for the CIA, including one in the U.S. (Phillips also oversaw the CIA's destabilization of the Allende government in Chile. Later, Phillips publicly lied about the CIA's role in the 1973 coup.)

Thompson has explained the show's objective: "Ideally, we'd like to show that the people in the CIA are American citizens with families and a job to do." 4 Rudy Maxa of the Washington Post summed up the show's objective as an attempt to "do for the embattled CIA's image what The FBI (TV show) did for J. Edgar Hoover's fiefdom." 5

Don Penny doesn't like this comparison to The FBI. He asserted that "We're not trying to whitewash," but then added that in talking about the CIA, "you're talking about a university. These people do everything from talk (sic) French to collect (sic) urine samples."

There can be little doubt that The CIA is a premeditated whitewash for a CIA beleaguered by public exposure of its misdeeds. Such a show also has the potential to divert public attention from on-going CIA operations. It should be remembered that The FBI show ran during the FBI's massive assault on constitutional rights known as COINTELPRO.

1979 and 1980 have seen a tremendous up-CounterSpy - 3 surge in peoples' struggles for liberation - struggles which threaten the very empire that the CIA defends. Naturally, the CIA is aware that an American public numbed by a fictional "CIA" is less likely to try to stop the CIA's operations against progressive movements in other countries.

counterSpy believes it is unacceptable and unconscionable for CBS to run The CIA series, particularly since the CIA is forbidden to carry out domestic propaganda operations. CounterSpy urges the TV public to stop the broadcasting of The CIA and to demand that the Federal Communication Commission and Congress investigate the CBS's program.

This investigation is especially needed in light of the fact that CBS has for years been "providing cover for CIA agents, supplying the CIA with film outtakes (unaired footage), permitting CIA agents to enter CBS control rooms to monitor reports of correspondents without their knowledge and having correspondents participate in debriefing sessions with then CIA Director Allen Dulles." 7

Finally, the investigation is needed in light of the following 1967 letter from Allen Dulles to then CBS official Michael Burke. This letter indicates that the idea for The CIA was a CIA-initiated covert operation ("zebra") and suggests that there might have been many more covert machinations between the CIA and CBS.

#### FOOTNOTES

December 28, 1967

Michael Burke, Esq. 17 East 89th Street New York 10028

Dear Mike:

I have been anxious to get in touch with you to share an idea, and your Christmas and New Year card with the browsing zebras gave me an address where I thought I could write you personally.

For some time I have felt that sooner or later something should and would be done in the field of television with regard to intelligence which would be somewhat comparable to what the FBI is now doing so effectively in that field. Efforts have been made by various persons along these lines, but always based on the theory that the series could or should be sponsored by the CIA, somewhat as the FBI series is sponsored. Because of the difference in the two services, I feel, however, that this is an impractical idea insofar as the intelligence field is concerned. On the other hand, I feel that there is now in the public domain as the result of a series of publications, books, articles, and newspaper reports relating to various phases of intelligence which could furnish the background material which could be used without a formal sponsor. Here the private individual who might be associated with the item and the authors and writers of the various pieces would give a measure of credence and credibility to what was selected and edited from the vast amount of material now in the public domain.

I do not know whether this general subject would interest you and CBS. If it should, I should be glad to present my ideas to you in a personal and confidential way, preferably by our getting together for a good talk where I could outline what I have in mind. Not being sure the "zebra" address is the proper one for this purpose, I shall limit myself in this letter to sending best wishes to you both for Christmas and the coming year and to express the hope that we may get together in the not too distant future.

Sincerly,

Allen W. Dulles

AWD:mcm 1-B file 1-Chrono

<sup>1)</sup> Washington Post magazine, 8/17/80, p.2.

<sup>2)</sup> ibid.

<sup>3)</sup> In These Times, 8/13-26/80, p.4.

<sup>4)</sup> ibid.

<sup>5)</sup> cf supra, #1.

<sup>6)</sup> ibid.

<sup>7)</sup> Los Angeles Times, 5/29/77, p.3.

# USIA/ICA: Arrowhead of Penetration by Martha Wenger

"I believe in the power of ideas. I believe that ideas are what the International Communication Agency is all about... In the ebbs and flows of history, there are those who place their trust in military might, those who lean to economic determinism, those whose ultimate regard is for scientific and technological innovation. I turn to ideas..."

With these words, John E. Reinhardt was sworn in April 3, 1978 as director of the International Communication Agency (ICA) — the major propaganda arm of the United States government abroad, with a 1980 budget of \$426 million, over 200 cultural and information posts in 126 countries, 2 and an international shortwave radio station, the Voice of America (VOA).

The ICA (and its predecessor, the United States Information Agency, USIA) however, is involved in much more than straightforward propagation of ideas: it is an integral part of U.S. government penetration abroad. Its goal is to influence and/or manipulate events in foreign countries along lines favorable to U.S. corporate and government foreign policy objectives. Concretely, those objectives translate to economic rape by U.S. multinational corporations for many third world countries, and military and cultural domination for others.

A major task for America's information program has always been propaganda aimed at the Soviet Union and Eastern European countries through the Voice of America radio and various publications. In countries where the U.S. government has greater access, the tasks have gone beyond so-called "white" propaganda to influencing opinion leaders in government, business, and education; feeding pro-U.S. stories into local press and media; intelligence collection; and psychological warfare campaigns in collaboration with U.S. military operations.

At the close of World War II, the U.S. government became convinced of the usefulness of a peacetime propaganda agency. In the course of several years the Office of War Information (OWI), which had con-

trolled wartime propaganda operations, evolved into the Office of International Information and Cultural Affairs, a branch of the State Department, given its legal basis in the Smith-Mundt Act of 1948.

This development closely paralleled the creation of the Central Intelligence Agency in 1947. In fact, in the early days, the functions of the two agencies all but intertwined. "The double face of American propaganda, 'black' and 'white', covert and overt, had existed from the days of World War II, when the Office of War Information, the forerunner of USIA, was not always sure of its functions vis-a-vis the Office of Strategic Services, the forerunner of the CIA." 3

In 1953 the information program was separated from the State Department and established as an independent agency: the United States Information Agency, USIA. Its mission was to prepare and disseminate "information about the United States, its people, and its policies, through press,

#### UNITED STATES INFORMATION PROGRAMS

War II propaganda agency.

<u>Voice of America</u> (VOA), short-wave radio developed 1942. Presently admininistered by one of the four associate directors of ICA.

Office of War Information (OWI), World

Office of International Information and Cultural Affairs (IIA), developed as peacetime continuation of OWI; a branch of the State Department, given legal mandate in 1948 Smith-Mundt Act.

United States Information Agency (USIA), created August 1, 1953; first independent peacetime information agency. USIA posts abroad are known as USIS (United States Information Service).

International Communication Agency

International Communication Agency (ICA), created April 1, 1978; combined USIA and State Department Bureau of Education and Cultural Affairs. Headquarters: 1776 Pennsylvania Ave. N.W., Washington D.C. 20547.

publications, radio, motion pictures, and other information media, and through information centers and instructors abroad."

The USIA, in its early years was an ideological weapon of the Cold War and was molded by those battles into a single-mindedly anti-Communist agency. Its propaganda was largely directed at the Soviet Union and Eastern European countries.

Succeeding Presidents, however, refined the USIA into a component of the total apparatus whose function it was to achieve economic and political conditions favorable to world-wide U.S. interests. Thomas C. Sorenson, deputy director of the USIA in the early 1960's, explained: "... the USIA is the psychological instrument of the United States Government overseas, just as the State Department is the diplomatic instrument, the Agency for International Development the economic assistance instrument, and the Central Intelligence Agency the intelligence instrument." 5

In August 1950 President Harry Truman created a national "Psychology Strategy Board" (later called the Operations Coordinating Board under Eisenhower) to coordinate "foreign information and psychological strategy in situations where joint action by more than one agency of the Government is required in this field." 6 Its members included representatives of the Secretary of Defense, the Joint Chiefs of Staff, and the CIA Director, and it was chaired by the Assistant Secretary of State for Public Affairs (head of the U.S. information functions which were then part of the State Department). In 1955, after the USIA became independent, its director was designated a member of the Operations Coordinating Board and invited to be an observer at National Security Council (NSC) meetings, and met with the President regularly once a month.

Also during the 1950's, a plan was drawn up to organize "Foreign Information and Psychological Operations" during wartime. This now declassified (secret) document, dated 1950-51, described the U.S. information program's wartime functions as: supporting the Defense Department "in conducting foreign information operations in military theatres of operations (and)... planning and coordinating foreign information operations" in areas outside the field of combat. The plan also directed

the information program to coordinate with the CIA to assure "desired and practicable support." 7

During the same period, the USIA greatly expanded its intelligence gathering and analysis by establishing its own Office of Research and Intelligence in late 1954.

The Eisenhower administration saw the creation of a top-level Presidential assistantship devoted primarily to the foreign information program. Two men who held that post were Nelson Rockefeller and William H. Jackson, former deputy director of the CIA. 8 Rockefeller had previously run the Coordinator of Inter-American Affairs which conducted psychological warfare campaigns in Latin America before and during World War II.

USIA's role as political activist escalated under the Kennedy administration. Sorenson, USIA Deputy Director, wrote, "The Kennedy Administration has acknowledged political communication as a major arm of policy. No major and few minor foreign policy decisions are made without the active participation of USIA." 9 Edward Murrow, Director of USIA, was given an NSC seat and appointed to the committee which was to formulate the new counter-insurgency program inaugurated by Kennedy to combat "wars of national liberation" on a global basis. 10

The Johnson and Nixon years were dominated by the war in Vietnam and characterized by heavy involvement in psychological warfare as will be discussed.

On April 1, 1978 a Carter proposal to reorganize the USIA resulted in the International Communication Agency - essentially a merger of the old USIA and the Bureau of Educational and Cultural Affairs under the State Department - with a nearly identical mission, and many of the same personnel. Carter directed the ICA to: "Give foreign peoples the best possible understanding of our policies and our intentions, and sufficient information about American society and culture to comprehend why we have chosen certain policies over others..."

Carter's charter for the ICA reaffirmed a previous Congressional restriction on dissemination of U.S. information agency propaganda within the United States itself As we shall see, however, there are a number of significant ways in which ICA propaganda does seep back into the U.S.

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#### I.C.A. OPERATIONS ABROAD

ICA's presence in foreign countries, in sharp contrast to its domestic obscurity, is highly visible. ICA facilities, including information and cultural centers, libraries, and binational centers, are often physically close to the U.S. Embassy or in other prominent locations.

The head of the ICA mission participates as a full and important member of the "Country Team", a group headed by the U.S. ambassador with members including the senior representative of the CIA, military attaches, the heads of the Agency for International Development (AID) and Peace Corps, and representatives of other U.S. agencies operating within the country. 12

All ICA activities in a country must support objectives outlined in a document called the "Country Plan". According to a USIA publication, The Agency in Brief, 1971, Country Plans: 1) list U.S. objectives for the area; 2) identify Psychological Objectives ("attitudes to be created or strengthened which will advance particular U.S. objectives") and Target Audience (groups to be influenced); and 3) detail the specific programs which will attain these objectives. 13

Country Plans are modified annually in close collaboration with other members of the Country Team. During the Nixon administration the plans were considered so vital that the President invoked executive privilege to deny the Senate Foreign Relations Committee access to the documents. 14

Target audiences of the ICA include members of the political and economic power structures, including persons not then in power, but likely to be: military elements with a potential to stage a coup; owners, editors, and writers of mass media; educators; and leaders of major parties and political movements. In some countries women's groups, trade unionists, student leaders and ethnic leaders are also targeted. 15

Every year 2,000 foreign leaders (from the groups just listed) are invited by the U.S. Chiefs of Mission to the U.S. to attend seminars or participate in multinational projects in their area of expertise. More than 3,500 additional persons, both U.S. and foreign, participate in academic exchanges under the Fulbright Program. 16

ICA posts also run seminars and conferences for targeted opinion leaders in various fields within the country itself. The substantial amount of ICA programming is aimed at cultivating these elites: the educated, the leaders, the upper class.

#### ACCESS TO PRESS AND MEDIA

A steady flow of ICA-produced mass media material - newspaper stories and photos, packaged radio and TV programs - is channeled to foreign opinion leaders and any receptive media personnel. In some countries these materials are readily used. In Venezuela in 1976, for example, more than 75 percent of all articles and photographs regularly distributed by USIA to the 30 major newspapers were published in one or more papers. 17 In other countries, strict government control over press, lack of interest, or suspicion of U.S. government-generated material make for less usage.

The ICA does not buy column space or air time, preferring to rely on local pro-U.S. journalists and media personalities who can be counted on to publish ICA materials. A more underhanded method of obtaining media coverage is to reimburse media personnel for "expenses" for their services. George Allen, USIA Director from 1957-61, testified that a nationally respected weekly radio program in an unnamed Third World country, featuring several professors discussing world affairs, was given a pro-U.S. slant by USIA officers who gave the professors documents, editorials, speeches, statements, etc. "I have also learned, however," Allen went on, "That we handed each professor the equivalent of \$100 a week for 'travel expenses'... The professors asked that the money be given to them in cash, in a plain envelope." 18

Media operations are not limited to insertion of propaganda and cultural indoctrination into the mass media. In times of crisis for U.S. government objectives in a region, ICA posts swing into high gear in support of a particular U.S. military, economic or diplomatic move. For instance, the Voice of America, ICA's shortwave radio station (normally broadcasting 820 hours per week in 32 languages <sup>19</sup>) often dramatically increases its programming in a given area in response to a U.S. per-

ceived crisis. The most recent occurrences of such "directed programming" by the Voice were the responses to events in Afghanistan and Iran. In a "crisis situation", it is VOA's task to continuously re-broadcast the official U.S. governmental version of events. In some cases, this "official version" has proved to be almost total fabrication.

A case in point is recent VOA broadcasting on the Afghanistan situation. Robert Fisk, a journalist of the Times (London), while reporting from Kabul in February 1980, heard a VOA broadcast from Washington, D.C. It reported "fierce fighting in the centre of Kabul. Afghan soldiers, the station announced, were in conflict with Soviet troops at the Bela Hissar Fort in the centre of the city." Fisk, with a clear view of the fort area from his hillside hotel balcony, saw this scene: "... there was no smoke or fire, no sound . of. car horns from the city's traffic. Nor was there fighting. The Bela Hissar was peaceful. There were no Soviet troops to be seen and the Afghan army was evidenced only by a soldier drinking tea in the main street ... Not to put too fine a point on it, the Voice of America was talking rubbish." 20

In another instance, VOA (as well as the BBC) reported that Mohammond Baryalai, a high-ranking Afghan government official was killed in a shoot-out during a meeting of the Afghan Revolutionary Council in February. Only three weeks later, Baryalai was interviewed, alive and well, by West German journalist Warner Poelchau. 21

The two primary sources for the VOA broadcasts - "travellers passing through Afghanistan to Pakistan", and "senior diplomats in Kabul" have been thoroughly dis-direct support of military operations in credited by foreign correspondents on the scene. Regarding the main "diplomatic source", Ian Mather, correspondent for the Observor (London), said: "The American Emcurate information to American journalists, under one authority. JUSPAO maintained exaggerating the number of Russian troops in the country, the number of Russians killed, and the extent of the engagements." 22

These boldfaced lies have not only been reported widely on the Voice of America, but - in a world in which mass media is an international business - have infiltrated media reports worldwide and have come back to propagandize and misinform the American tions) Group work in close and intimate co-

people. Such manipulation is an extremely serious matter when the issue at stake is one that President Carter has used as a justification for reviving the Cold War, reinstituting draft registration, further inflating the military budget, and introducing the "Carter Doctrine".

#### PROPAGANDA OPERATIONS FOR FOREIGN GOVERNMENTS

During the time that ICA was known as USIA it conducted several highly questionable operations that were essentially domestic propaganda programs for foreign governments. Not surprisingly, these governments were regimes closely tied to the U.S. government.

In the 1950's a national liberation movement, the Huks, developed in the Philippines. The USIA was on the scene to help the Philippine government put down the movement. The USIA "worked closely with the Philippine Armed Forces in continuing a successful psychological warfare campaign against the Huks", according to the 1954 USIA Report to Congress. "As the campaign progressed, the Philippine Government was able to devote more time and energy to economic reforms and to assume a role of growing importance in Asian affairs." 23 Put another way, the USIA aided a counterinsurgency campaign to suppress an internal opposition movement and to maintain a pro-U.S. Philippine government in power.

One of the most extensive of this genre of USIA operations was conducted in Vietnam during the war. In May 1965, President Johnson delegated responsibility "for all psychological actions in Vietnam (except in the field)" to the Director of the USIA. 24

This mission was carried out through the Joint U.S. Public Affairs Office (JUSPAO), Saigon; essentially a coordination of milibassy here... has been feeding wildly inac-tary and civilian psychological operations close and interlocking relationships at all levels with its military counterpart, U.S. Army Broadcasting and Visual Activity, the military psychological operations command in the Pacific which had a detachment in Saigon. 25 This relationship held in the whole region: "In all cases where such programs are conducted the local major command and the 7th PSYOP (psychological opera-

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William Donovan - head of the Office of Strategic Services (OSS), the fore-runner of the CIA - has called propaganda "the arrowhead of penetration" into another country. According to The War Report of the OSS, Donovan personally fought for the inclusion of psychological warfare techniques as part of propaganda.

The euphemistic term "psychological warfare" has been far deadlier in practice than it sounds. Since the days of the OSS it has at times included assassinations. This gruesome aspect of psywar was captured by Stanley Karnow following an interview with CIA Colonel Edward Landsdale who directed psywar operations in Vietnam and the Philippines.

"One (Landsdale-initiated) psywar operation played on the superstitious dread in the Philippine countryside of the ansuang, a mythical vampire. A psywar squad entered the area, and planted rumors that an ansuang lived... where the Communists were based. Two nights later, after giving the rumors time to circulate among Huk sympathizers, the psywar squad laid an ambush for the rebels. When a Huk patrol passed, the ambushers snatched the last man, punctured his neck vampire-fashion with two holes, hung his body until the blood drained out, and put the corpse back on the trail." (Victor Marchetti and John D. Marks, The CIA and the Cult of Intelligence, p.27.)

ordination with USIA. In almost every case (deleted) the military and USIA programs are mutually supporting." .26

JUSPAO's total output of newspapers, magazines, posters and pamphlets produced in 1970 was put at 24 million plus copies. And that figure excludes the 1.5 billion leaflets dropped by the military psychological operations units. The JUSPAO budget alone was \$10.9 million in fiscal year 1970. 27

One of USIA's major responsibilities within JUSPAO was to "manage the news" in support of the U.S. war operations. USIA issued the official news, both military and political, to correspondents based in Saigon and, in some cases, withheld the news. This USIA function as an organ of propaganda and misinformation created a "violent conflict with the small corps of young American correspondents who did not believe

the official 'handouts'." <sup>28</sup> At the same time, to enhance favorable foreign reportage of the war, the USIA in 1965 started a program to encourage foreign reporters and writers selected by local USIA posts to visit Vietnam and see the situation first-hand. At least thirty of these had their trip paid for by the USIA. <sup>29</sup>

The Vietnam role of USIA in news management constituted a major violation of the rule that USIA materials should not be directed at the U.S. public. Since the USIA controlled all official sources of news in Vietnam, the majority of reporting about the war in the U.S. was, at least, influenced by the USIA.

#### ATTRIBUTION

One criteria used to distinguish "white" from "black" propaganda is attribution: whether the material identifies its sources. ICA/USIA frequently, particularly in its propaganda operations for foreign governments, and in its utilization of local media contacts, deliberately fails to put its label on its products. In a major 1961 USIA operation on behalf of the Royal Lao government, there was no attribution to USIA. This operation included a bi-monthly magazine, wholely USIA-produced, with a distribution of 43,000 copies in a country where the largest newspaper at the time circulated a mere 3,300 copies. The USIA magazine was identified as coming from the 30 Royal Lao government.

When the ICA/USIA deliberately fails to attribute, or falsifies its source, its true role becomes close to the CIA-style "gray" or "black" propaganda operations. "USIA might stress its own overt character as against the covert nature of the CIA, but too often its method had to be to generate American propaganda without the USIA label, a kind of infiltration of communications. Thus, it was not always too different from the CIA, though it might try to set itself apart spiritually." 31

#### C.I.A. TIES

The comparison between the ICA and the CIA at various points in this article naturally provokes a closer scrutiny of their relationship. Unquestionably there are

close connections on several levels. CIA and ICA personnel serve on the same Country Teams abroad, and on sub-committees of the National Security Council and other inter-agency committees concerned with psychological operations.

In a 1970 Senate hearing, the Director of JUSPAO in Vietnam, Edward J. Nickel, was asked whether any CIA personnel were using USIA as a cover. His answer was: "Comment on such a question must be made in executive session by other appropriate officials..." 32

The link between the USIA and the CIA has been clearly established in at least one area: secret book subsidization. A function of ICA/USIA has been to promote U.S. books abroad through their libraries and subsidized low cost sales at a current rate of 3 million copies per year. 33 However, realizing that propaganda is not nearly as effective when the recipient knows and distrusts its source, the ICA has at times commissioned books suitable to its psychological and political objectives and then distributed them without any identification of the books as U.S. government-sponsored.

In 1967 a controversy developed when Congressional testimony revealed this practice of secret book subsidies. some cases the USIA first went directly to the author, and then arranged to have the new book published and distributed. In other cases, authors were approached only by a private publisher who had a previous arrangement with USIA that it would subsidize the project by buying a certain number of books when published. In the latter instance the author was left in the dark about the USIA role in the deal, and in both cases, the reader was uninformed of the government sponsorship. 34

The CIA - usually better known for its attempts to suppress or censor books - has also engaged in selective subsidization of books which it considers "favorable". Only days after the 1967 Congressional furor developed it was revealed that Operations and Policy Research, Inc. (OPR) of Washington, D.C. was being funded by CIA fronts to develop books and materials for use by the CIA. At the same time, OPR was helping USIA select materials for its overseas programs. According to Nation magazine, OPR was receiving grants from two CIA conduits: the Sidney and Esther

Rabb Foundation of Boston and the Pappas Charitable Trust of Boston. 35

The fact that the USIA and the CIA were both using the services of OPR was not just an unfortunate coincidence. David Wise, in his book The American Police State, has made clear the relationship that exists between the two agencies: "Through the U.S. Information Agency as a 'cut-out', the CIA subsidized major publishers to produce books, some of which were then sold in the United States bearing no government imprint to warn the unsuspecting purchaser." 36

#### INTELLIGENCE COLLECTION

The ICA, through its intelligence research and media-reaction staffs has a unique role in providing intelligence estimates to the White House, the State Department and other government agencies. Their focus is on the opinions and sentiments of foreign peoples, rather than the usual intelligence focus on foreign governments. Their survey and public opinion compilations are sometimes classified and the questions asked can provide valuable information.

A 1968 study, classified until 1973, on WOA and Radio Havana Audiences in Central America asked such questions as the subject's knowledge and opinion of Fidel Castro, their awareness of U.S. corporations in their country, knowledge of the Alliance for Progress program, etc. 37

More recent intelligence reports included a paper dealing with European public reaction to the U.S. human rights campaign which was "deemed very urgent" by the State Department in 1977. 38

A recently declassified document September 6, 1958 reveals that the United States Information Agency has participated in decisions of profound consequence: in this case the United States was contemplating intervention with nuclear weapons in a dispute between China and Taiwan. The document is USIA's "Estimate of Free World Reaction Country by Country to Three Possible Courses of Action by the U.S. in Quemoy-Matsu" - Quemoy and Matsu being two small islands just kilometers offshore mainland China, but controlled by Taiwan and at that time protected by a U.S.-Taiwan Mutual Defense Pact.

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In late 1958, Chiang Kai-Shek moved 90,000 Nationalist troops to the islands and a U.S. ship was ordered to protect their supply lines. When China bombarded the islands in August, the U.S. threatened to intervene, secretly considering the use of nuclear weapons. And, the USIA was there to provide a top secret intelligence estimate for the decisionmakers. 39 In effect, USIA analyses can "not be told from CIA appraisals, or the kind of 'sociological' projects the Pentagon engaged in..." 40

#### EXPORT PROMOTION

A major "U.S. objective" abroad is, of course, promoting U.S.-based multinational corporations. ICA programs, therefore, include heavy promotion of U.S. exports and corporations. In 1974 the USIA Report to Congress included a success story about its centers in 26 sub-Saharan African countries, who "utilized every available opportunity to boost U.S. commercial exports." 41

In May 1971, a "Talking Paper" was issued to all USIA Latin America posts with questions and answers about U.S. economic activity there, to help them defend U.S. interests more effectively. One section extolled the humanitarian efforts of such U.S. corporations as Ford Motor Co., Coca Cola, and United Fruit Co. The "Talking Paper" did not mention the extraction of tremendous profits from Latin America by these same corporations. 42

Progressive people in foreign countries have consistently identified ICA facilities as symbols of U.S. domination of their nations and have repeatedly attacked them as such. To name only a few recent such attacks: December 1978, Binational centers in three Iranian cities attacked, in Shiraz alone the damage amounted to \$50,000; 43 August 1978, minor damage at an ICA facility in Stockholm, Sweden. On May 17, 1980, police clashed with hundreds of demonstrators who had set fire to a U.S. flag on the roof of the "Amerika Haus" cultural center in West Berlin to protest the annual military parade by the U.S., France, and Britain 44 ain.

The Greek government was forced by internal opposition to deny VOA permission to use an additional frequency for its

Farsi (Iranian language) broadcasts by VOA relay stations located in Greece in December 1979. Andreas Papandreou, leader of the main opposition party said that the presence of U.S. propaganda transmitters in Greece was "most dangerous", and urged his government to make it clear to the United States that "it has no right to use our country for propaganda purposes." 45

"Voice of America... transmitter time is a precious resource. Decisions to add or delete language services are carefully made by representatives of USICA, the State Department and the National Security Council. This group decided to devote all available transmitter time to Iranian Farsi broadcasts in April 1979 (broadcasts also heard and understood by educated Afghans). Following, the Soviet invasion of Afghanistan, time was taken from Farsi to make room for Dari, the lingua franca of Afghanistan. ... We will be on the air in Dari next month." (Michael Pistor, Director, Office of Congressional and Public Liaison, I.C.A., 8/21/80 in a letter to the editor of the New York Times)

These attacks are constant reminders that the true goal of the ICA is to facilitate and garner support for U.S. foreign policy and the American economic system. As George Allen, former USIA Director, putit: "In many - perhaps all - international disputes, the program is not that foreign people do not understand (U.S.) policies. Often they understand them only too well - and do not like them." 46

#### DEVELOPMENTS TO WATCH

Wherever possible, U.S. government/corporate interests prefer to use the weapons of economic and military aid with their inevitable attached strings to make other countries dependent on the U.S.—dominated economic system. ICA is a key weapon in this strategy. And, in cases where U.S. aid programs have been drastically reduced or suspended due to the pressure of human rights activists in the U.S., ICA has taken up the slack. As a 1977 Congressional team to Latin America reported, when military and economic aid have been cut, "the attention of U.S. Am—CounterSpy — 11

bassadors and other Embassy officials has naturally focused on the USIS (United States Information Service, as USIA was known abroad) program as a resource of last resort - to be utilized in the promotion of U.S. foreign policy objectives." 47

In areas where the U.S. government is preparing to use military force to secure its interests - notably the Middle East oil regions targeted in the Carter doctrine speech of January 1980 - ICA's propaganda apparatus will be there to back up the military action. Preparations are already being made: for example, the February 1980 budget for ICA included a request for three new ICA posts in strategically located Middle Eastern countries: Iraq, Oman, and Qatar. A'VOA Farsi language broadcast was begun - belatedly - in March 1979.

In Africa, ICA Director John Reinhardt noted in February 1980, once Zimbabwe and Namibia become independent, "they would represent high-priority opportunities for us and we would follow the opportunities." <sup>49</sup> ICA was also hoping to expand its branch center in Soweto, South Africa.

Among the new VOA projects is a relay station on the island of Antigua. The transmitter will be placed in the U.S. military installation there. Unlike other VOA transmitters, this station will broadcast in medium wave and will become one of the most powerful AM stations in the Eastern Caribbean.

A major new request in the 1980 budget was \$4.45 million to develop the Hubert H. Humphrey Fellowship program "to provide mid-career training for young professional people who are likely to become important public officials of Third World countries ... it holds the promise of forging significant links to future leaders who might otherwise have no direct experience with the United States." 50

And finally, a major reconstructing of ICA's research and intelligence operation is taking place "to sharpen both the relevance of our research and the speed with which it is conducted" in order to better carry out the mandate to advise the President and the Secretary of State. 51

Given the past history of the ICA it is important to watch what role it will play, particularly in these strategic regions. Clearly, one function will continue to be identifying and developing close ties with foreign nationals who support and benefit from a strong U.S. military and economic dominance of their country at the expense of the independence and economic well-being of the majority of the people.

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#### EAST TIMOR, INDONESIA AND THE WESTERN DEMOCRACIES

By Torben Retbøll (ed.)

The purpose of <u>East Timor</u>, <u>Indonesia</u> and the <u>Western Democracies</u> is to show three points: Firstly, Indonesian atrocities in East Timor; secondly, the responsibility of the Western democracies; and thirdly, the cover-up in the Western mass media. The book has been written for the International Work Group for Indigenous Affairs document series.

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## CIA Rebels Supply U.S. Heroin

by Konrad Ege

An Afghan proverb says: "You can't hide a camel under a dressing gown." Likewise, even a well orchestrated media campaign on Afghanistan cannot hide the truth. On August 24, 1980 the Washington Post was compelled to admit that quite a few reports on Afghanistan - including some in the Post itself - were pure fabrication. Washington Post reporter Stuart Auerbach wrote:

"Even the best sourced reports on Afghan fighting produced errors. In the Pakistani capital of Islamabad in January, a reliable Western European diplomat told an inquiring reporter that his country's embassy in Kabul was reporting heavy fighting around the airports, with Soviet Mig fighters seen striking around the city.

"In an on-the-record interview later that day, Pakistan President Mohammed Zia ul-Haq confirmed and elaborated on that report on the basis of information he said he had received.

"The Washington Post, acting on two different sources, including one who allowed his name to be attached to the report, carried a front page story of the fighting.

"The only problem is it never took place."

Auerbach pointed out reports on other events that probably never took place such as the 20,000 - some reports said 30,000 - "rebels" that "were massing outside Kabul". The Auerbach article also stated that correspondents who were in Kabul early this year said that "some of the most hysterical and unreliable reports on activities within Afghanistan came from daily briefings given by American diplomats."

In addition to the erroneous stories documented by Auerbach, Washington Post reporter William Branigan was expelled from Afghanistan in early January 1980 along with other journalists for writing "inventions and insinuations, each one more clumsy than the one before." 3 Undaunted, the Post continues to print articles based on sources Auerbach calls unreliable.

One of the most contradictory aspects of U.S. reporting on Afghanistan is the information regarding the Afghan Army. For instance, the Washington Post said on January 2, 1980 that: "The Afghan military, estimated by the United States at 80,000 to 90,000 men a year ago, was reported to have dwindled to no more than 10,000 or 15,000 effective troops even before the ouster of Hafizullah Amin on December 27, 1979 ... U.S. analysts expressed doubt that more than a few garrisons with a few hundred soldiers each are still capable of functioning." 4 A second Post story of September 13, 1980, more than eight months later, reported that: "Afghan sources say the size of the Afghan Army, once put at 80,000 troops, has dwindled to about 20,000 since the Soviet invasion." <sup>5</sup> In other words: from an estimated 10,000 to 15,000 effective troops in December 1979, the Afghan Army has "dwindled" in eight months up to about 20,000.

Many of the reports in the U.S. media quote "travelers from Afghanistan" as reliable sources. Rainer Wolfgramm, a correspondent for the state-owned West German TV network ARD revealed on June 12, 1980 that the manner in which reports quoting travelers are created "is always the same. There are four or five reporters at the airport in New Delhi, who run up to travelers from Kabul. They are asked to give their impressions, whether there was shooting, fighting, unrest, how strong the Soviets are."  $^{\mathsf{G}}$  Foreign radio reports, e.g. the BBC, broadcast these travelers' impressions back into Afghanistan. People in Afghanistan talk about them, the story is exaggerated and falsified and: "The next traveler takes these stories with him to Delhi. This way, in a short time, you have huge troop movements and drawn-out fire-battles. Rumors like that can be easily manipulated in the desired direction by whoever is interested in a certain type of reporting." / Wolfgramm also pointed out that many of the reports about "shooting near Kabul" are true since there are firing ranges close to Kabul airport.

Another widely used source for articles in the U.S. media is statements issued

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from the rebel headquarters in Peshawar, Pakistan. Wolfgramm says that these reports have to be taken not with a grain but with a pound of salt: "For example, while I was doing an interview with a refugee [in Peshawar], one of the rebel spokesmen was drafting a press release about the situation in Kabul, which is about 200 km. from Peshawar. The spokesman admitted that he was not in contact with anybody in Kabul." 8

More recently, the media in the U.S. has treated us to unsubstantiated reports about the presence of Cuban (or Bulgarian, Czechoslovakian, or Rumanian) troops in Afghanistan, <sup>9</sup> as well as articles on Soviet chemical warfare in the conflict.

The relentless media campaign reminiscent of early reporting on the U.S. war in Vietnam has some obvious objectives: the facts about the situation in Afghanistan are to be covered up by all means possible in order to maintain the useful image of the conflict in Afghanistan as an example of Soviet aggression which "justifies" the expansion of U.S. military presence in the Middle East and Indian Ocean.

One of the facts that must be considered in a truthful examination of the Afghanistan situation is that the U.S. government is, in the words of a State Department official, seeking to help the rebels "in every way we can... Not all the ways that we pursue are ways that I can discuss." In the same context, the official also told selected reporters that "the Red Army...is unable to pacify the countryside or control the cities because rebels are finding the resources and the will to resist." 10

CounterSpy has detailed the extensive U.S., Chinese, Pakistani and Egyptian aid the rebels are receiving. By all accounts,

#### **CIA** in Pakistan

In addition to Robert P. Lessard, John J. Reagan and David E. Thurman, who are CIA officers stationed in Islamabad (see CounterSpy, vol.4, no.2 for details), CounterSpy has also learned that Gary C. Schroen has been assigned to the U.S. Embassy in Islamabad. Schroen is a CIA officer. He has worked previously in Iran from 1972 to 1975.

Richard B. Jackman, a CIA officer in Karachi, named in <u>CounterSpy</u>, vol.4, no.2 is no longer listed in the latest issue of the Pakistan <u>Diplomatic List</u>.

this aid continues. That was demonstrated as recently as August, 1980 when the Iranian government, otherwise a staunch supporter of the "rebels", was compelled to ban one of the "rebel" groups, the Jamiati-Islami (Islamic Society) because of its extensive ties to the CIA and heroin smuggling.

Anti-communist, U.S. supplied "rebels" ...heroin ... the CIA: all have a familiar ring. One is reminded of the Hmong tribes in Laos who were recruited by the CIA for mercenary armies. In exchange, the CIA provided them with planes and helicopters to transport their opium. Previously, it had been exceedingly difficult for the Hmong and other tribes to transport their opium out of the rugged mountain areas. The CIA aircraft removed a major obstacle to opium traffic. In his book, The Politics of Heroin in Southeast Asia, Alfred McCoy explained that without the CIA's planes and helicopters the Hmong would have faced economic ruin: "There was simply no other form of air transport available in Laos."

In turn, the CIA transported opium which came to the U.S. in the form of heroin and had a devastating effect on the U.S. public. In 1970, the U.S. Bureau of Narcotics and Dangerous Drugs (BNDD, the predecessor of the Drug Enforcement Administration DEA) reported that "70% of the ocean of heroin then washing across Europe and America was originating in the Burma-Thailand-Laos Triangle region controlled by the CIA's mercenary opium armies." 11

At that time, heroin addiction in the U.S. reached epidemic proportions. The Nixon administration described the situation as having "the dimension of a national emergency". 12 President Richard Nixon promoted a domestic program to supposedly alleviate the tremendous heroin problems, and Congress created the DEA; but at the same time, Nixon maintained the CIA transport network for Hmong opium in order to "fight Communism".

The heroin flow into the U.S. declined rapidly when the U.S. military was defeated in Indochina not due to any success on the part of the DEA but due to the withdrawal of CIA officers and operatives, who had been so instrumental in getting the opium off on the first leg of its journey to the U.S. Gradually, the heroin supply from the Golden Triangle dried up, with the exception of opium from Thailand, where the CIA and U.S. forces remained.

After U.S. withdrawal from Indochina, heroin use in the U.S. declined, and President Carter could brag on January 21, 1980: "At the beginning of my administration there were over a half million heroin addicts in the United States. Our continued emphasis on reducing the supply of heroin, as well as providing the treatments and rehabilitation of its victims, has reduced the addict population to 380,000 ",13 the lowest number in 25 years. Reportedly, the supply of heroin available in the U.S. had plummeted to a ten-year low of four metric tons. 14

By now, the encouraging statistics of January 1980 are ancient history. The heroin supply is on the rise, and its use has jumped dramatically. We are, in the words of one high-level law enforcement official, "about to enter another heroin hell." 15

This time, the heroin is coming from the Golden Crescent of Southwest Asia. Newark Office of the DEA, for one, reports that "the known quantities of Golden Crescent heroin on the streets have suddenly jumped by 600%." 16 In Chigaco, the police reportedly expect a 10 percent crease in addicts in 1980 because of the influx of the Golden Crescent heroin. In New York State, admissions to drug treatment programs are up 26 percent. 17 In Washington, D.C. medical examiner, James Luke, has recorded an increase in the number of deaths from heroin overdose from 7 in 1978 to 43 in the first nine months of 1980 alone. The heroin comes from the Golden Crescent, and Dr. Alyce Gulatte of the Drug Abuse Institute of Howard University says that it "is destroying the city." 18

Certain parts of Afghanistan have been opium country for decades. In a 1972 book, Catherine Lamour and Michel Lamberti wrote that: "The poppy is grown ... along the whole length of the Pakistani border from Jalalabad in the north to the important southern town of Kandahar; also in the Nuristan hills, and in the province of Badakshan on the Russian border." 19 In 1972, Afghanistan was not a major opium exporter to the West. A certain amount was smuggled into Iran and Egypt, but Afghanistan and northwestern Pakistan were a "source of opium as yet virtually untapped." 20

That was eight years ago. Now, this source has been tapped and heroin produced from Afghan opium flows abundantly into

Western Europe and the U.S. Not surprisingly, the unleashing of this flow coincided with the arrival of the CIA on the Afghan-Pakistan border - to support and arm the tribes who were opium producers - all in the name of the fight against Communism.

Hoag Levins of the Philadelphia magazine asked a "high level law enforcement official in Washington" in an off-the-record interview about the U.S. government response to influx of Golden Crescent heroin. He answered:

"You have the administration tiptoeing

around this like it's a land mine. The issue of opium and heroin in Afghanistan is explosive.. In the State of the Union speech, the President mentioned drug abuse but he was very careful avoid mentioning Afghanistan, even though Afghanistan is where things are really happening right now. He said something like he was worried about 'drugs from Iran and Asia', but he specifically avoided dropping Afghanistan in there because the White House is worried that that will cause the media to ask an obvious question: '.. Why aren't we taking a more critical look at the arms we are now shipping in to gangs of drug runners who are obviously going to use them to increase the efficiency of their drug smuggling operation ?'" 21 David G. Canaday, special agent in charge of the DEA's Washington, D.C. office, has stated that the DEA can't do anything about the heroin influx from the Golden Crescent because "we have virtually no diplomatic ties in that part of the world." 22 His statement is, at best, a weak excuse, given the diplomatic ties between the U.S. and Pakistan. The real reason for the DEA's inability to prevent the flow of drugs from the Golden Crescent is that the opium growing tribes are not to be annoyed because of their opposition to the Afghan government. Therefore, the DEA decided to withdraw all of its agents from the Afghan-Pakistan border area. 23 At the same time, the CIA, which is aiding these very tribes that grow the poppy for U.S. heroin, is expanding its operations. July 1980, the DEA also closed its Paris office which was coordinating DEA operations in Europe and Southwest Asia.)

The Golden Crescent with its expanding CIA presence, produced an estimated 1,000 metric tons of opium in 1979; 300 tons in

Afghanistan, and some 700 tons in Pakistan, most of it in the border area. (In contrast, Mexico's production was 10 tons.) The 300 tons of opium produced in Afghanistan translates roughly into 30 tons of nearly pure heroin. Some 60 tons of pure heroin from the Golden Crescent is now becoming available in the U.S. And for the first time, the Afghan opium is being exported in large quantities to the U.S., thanks to the CIA-supported tribes who are fighting the Afghan government.

The war of the Afghan "freedom fighters" is a strange "holy war". If you liked the CIA's "secret" war in Laos with its resulting hundreds of thousands of heroin addicts at home, you'll love the CIA's "secret" war in Afghanistan.

If you were outraged by Laos, you should cry out and demand immediate Congressional investigation into the heroin traffic from the Afghan-Pakistan border to the U.S. And, ask your local newspaper editor for the real story of the "holy war" in Afghanistan.

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# Chemical Warfare in Afghanistan by Seamus O'Faolain and Dr. Mohammed Sarkash\*

Based on evidence gathered in Kabul and Washington, D.C., it now appears that a branch of the U.S. government has covertly supplied chemical weapons - probably of the type commonly classified as "nonlethal" - to the so-called rebels in Afghanistan. The Afghan government has provided photographs and details concerning cannisters and grenades manufactured in the United States that have been found in battle zones in Afghanistan.

At the same time, the Western media has been full of reports of Soviet atrocities, including the use of chemical weapons, in Afghanistan. As detailed below, U.S. governmental spokespersons have done their best to fuel these reports.

The intent of both these reports and the supplying of chemicals to the "rebels" - aside from their military use - seems to be two-fold. First, repeated reports of chemical warfare discredit the Afghan government and are easily blamed on the Soviet Union. They add substantial strength to the anti-Soviet militarism growing in the U.S. today. Secondly, these allegations of Soviet chemical warfare have been used effectively to push for enhancement of U.S. chemical warfare capabilities.

The latter consideration is no small matter. At the end of June, 1980 Congress-

\* Seamus O'Faolain and Mohammed Sarkash are pseudonyms of a U.S. and an Afghan writer, respectively.

man Richard Ichord (D-Missouri) offered an amendment to the military construction bill to earmark \$3.15 million for a factory to produce a new generation of sophisticated nerve gas weapons. Basing his defense on reports that the Soviets were using chemical weapons in Afghanistan and that they had the best-equipped chemical arsenal in the world, Ichord passed the amendment through the House Armed Services Committee with virtually no opposition. Some ten weeks later, by a 337 to 22 vote, it passed the full House.

The \$3.15 million will be used to build a new binary nerve gas facility in Pine Bluff, Arkansas. Binary chemical weapons are so named because they employ two separate agents of relative low toxicity in a projectile. When the projectile explodes, the two agents combine and form a highly lethal nerve gas. According to the plan envisoned by supporters of this new binary gas program, the Pine Bluff factory will "produce 155-millimeter artillery rounds containing the gas by late 1983 or early 1984. Programs for 8-inch rounds, due in 1985 and the 'Bigeye' aircraft-massive bomb, being developed jointly by the Navy and the Air Force for production in 1986, will follow."  $^{1}$ 

The chemicals to be produced; Sarin and GB, are devastatingly lethal. A quart of GB at its maximum effect could kill one million persons.

"The current U.S. stockpile of chemical weapons includes three million artillery shells, a few thousand aerial bombs and several hundred thousand land mines. Most of these are filled with G nerve agents, an organophosphorous compound that is odorless, invisible and devastatingly lethal. A microscopic drop landing on a person's body will, within fifteen minutes, cause concentration of the pupils, headaches, vomiting, uncontrolled defecation and urination, muscular convulsions, coma, and shortly afterwards, death." (The Nation, 7/5/80, p.12)

"The U.S. Army today possesses about 300,000 tons of gas, two-thirds of it nerve agents." (The Progressive, Sept. 1980, p.43)

The U.S. Army has been trying for several years to revive its chemical warfare program since President Richard Nixon renounced further development of chemical 18 - CounterSpy

weapons in 1969. Thus the appropriation of \$3.15 million for a new chemical weapons plant is a major breakthrough.

THE CHEMICAL WEAPONS RUMOR MILL

As early as December 29, 1979 the New York Times reported that, according to Afghan rebels, "the Russians have already used gas in some attacks." A few weeks later, on January 23, United Press International carried a report that "soman, a nerve gas first prepared in Nazi Germany in 1944, had been deployed against rebel positions near the northeast cities of Faizabad and Jalalabad and in central Bamiyan and northern Takhar province. The information was attributed to anonymous U.S. intelligence sources", who, in turn had learned about it from a "defecting Afghan Army officer and other refugees."<sup>2</sup>

Columnist Jack Anderson, in his March 5, 1980 column, had a lot to add to stories of "Soviet invaders... attacking querillas with deadly nerve gases that even Adolf Hitler balked at using." According to Anderson, "Russians are using gases to flush the fierce mountain men out of the caves and crevices where they are holed up." Anderson's sources are of "high" quality: "intelligence specialists ... a U.S. diplomat... the Defense Intelligence Agency... Pentagon sources... intelligence reports... a key intelligence source.... intelligence agencies... a top secret CIA analysis... one top secret CIA publication, the Weekly Surveyor ... "

On April 7, 1980, Secretary of Defense Harold Brown decided to contribute to the chemical rumor mill. In a speech in Los Angeles, he stated that "there is mounting evidence that the Soviets are using incapacitating gas - and some reports that they may be using lethal gas - in the Afghan countryside." 3 As time went on, it became more and more obvious that neither the CIA, the Pentagon, nor the State Department had any convincing evidence that Soviet troops were using chemical weapons in Afghanistan. Said a CIA 🕠 spokesperson: "There is no firm scientific evidence that [Soviet troops] used lethal gas."

In similar statements, State Department spokespersons, while suggesting that there were reports about the Soviet use of lethal chemical weapons, said they were "not able to establish conclusively

that lethal chemical agents had been used." However, if these reports were true, the State Department "would regard such use as outrageous and inhumane." <sup>5</sup>

Addressing the State Department's continuing reports of that kind, Julian Perry Robinson of Sussex University, a world authority on chemical warfare, said: "It is not clear why the State Department should have referred to a plurality and persistence of reports." 6

The New Statesman added: "Such reports certainly have one effect: once launched the smear story is difficult to deflect, and these allegations are likely to cause Moscow deep embarrassment, particularly in its relations to developing countries. But equally important is the impact they have on public and official opinion in the West."

As CounterSpy goes to press, the State Department and the CIA have yet to come up with concrete evidence of Soviet use of any sort of chemical weapons in Afghanistan. It is important to note too, that the Carter administration still feels that their evidence is insufficient to merit pressing formal charges against the Soviet Union. Nevertheless, the State Department's assertions continue. In a 124-page August 1980 report the State Department stated: "In Afghanistan, we regard it as highly likely that Soviet forces have used some form of chemical agents in their efforts to suppress Afghan resistance. And there are a number of refugee reports that the Soviet forces have used incapacitant and lethal chemical agents."

Undersecretary of State Matthew Nimetz found the ideal wording for State Department purposes. According to him, "the chances are about even that lethal agents have or have not been used by Soviet forces in trying to suppress the Afghan resistance." 9

Accounts about the use of chemical weapons in the Afghan countryside have, so far, come almost exclusively from Afghan refugees in Pakistan. The refugees have not been able to provide any hard evidence - e.g. shells containing chemicals or traces of chemicals. United Nations officials and other organizations working with the refugees likewise have not come up with any evidence. contained a tear gas type subst discussing chemical warfare, it tant to note the distinction be that chemical weapons and so-ca ritants" which are lethal only doses. It seems that most of the labeled "Made in U.S.A." were not come up with any evidence.

In contrast, the Afghan government has been very careful in its attempt to provide documentation that the "rebels" are using U.S. chemical weapons and there are some incidents which add substance to the claims that U.S.-supplied chemical warfare is taking place.

On June 6, 1980 the water supply of two Kabul schools was poisoned. Later in June, a gas was released in a Kabul girls' school which left a number of students unconscious for several hours in Kabul hospitals. Chemical analysts identified the gas as a herbicide capable of causing severe damage to the human body. The "rebels" blamed the attacks on the Soviets and the Afghan government blamed them on the "rebels".

#### EVIDENCE OF U.S. CHEMICAL WARFARE

In a press conference on June 3, 1980 the Afghan government displayed a number of weapons it said were captured from the "rebels". Among these weapons were several chemical bombs marked "CDS 517, Made in U.S.A.". In this press conference televised in Western Europe, the Afghan government also showed chemical cannisters recovered from the fighting which were made in the U.S. The French newspaper L'Humanite reported on August 25, 1980 that after fighting in the town of Ghazni, "Afghan soldiers recovered chemical devices labeled 'Mll2' and bearing the instructions: 'Beware, poison. Do not heat. Releases poison gases.'"  $^{10}$  L'Humanite also notes that "at the beginning of April the Afghan forces also discovered two anti-tank bombs which on detonation dispersed poison gases. They were made in the United States and carry the label RKT 83 mm heat blindicide Ml2." 11

The cannisters that the Afghan government displayed in its press conference in early June 1980 carried the imprint: "Made in U.S.A. Federal Laboratories, PA", and contained a tear gas type substance. (In discussing chemical warfare, it is important to note the distinction between lethal chemical weapons and so-called "irritants" which are lethal only in high doses. It seems that most of the weapons labeled "Made in U.S.A." were not of the kind commonly called "lethal".)

Located in Saltsburg, Pennsylvania, Federal Laboratories, Inc. is a subsidiary of Breeze Corporation of Union City, New Jersey. Federal Laboratories, which has a Pyrotechnics Division where it produces am-

"At a glance, I can smell where trouble's brewing in the world... In my business, that's important," said Harry Wells of Federal Laboratories to Wall Street Journal reporter George Getschow. In an August 2, 1978 article, Getschow writes that whenever Wells learns of a "significant new trouble spot, he dispatches a sales man to the area to sniff out the new business."

Federal Laboratories' plant in Saltsburg "is secluded along a winding road in the foothills of the Allegheny Mountains, about 40 miles from Pittsburg. Surrounded by barbed wire fence and armed guards, the 150 acre complex resembles a military outpost.

"The plant consists of 70 tiny, tin roofed buildings widely scattered on a hillside to lessen the effect of any explosion. Included are research laboratories and a training center where lawmen come to learn about the latest in chemical weaponry... Security is tight. Federal wouldn't allow a reporter to tour the factory."

In an interview with George Getschow, Wells was optimistic about business opportunities in the future, as far as domestic sales of tear gas are concerned. "I can see us heading into another period like the 1960's... People may not be starving, but right now there is 20% unemployment in some urban areas, and that's a damn good ingredient for a riot."

munition, also lists among its products "tear gas, police equipment, bullet proof vests, organic chemicals, and metal detectors." 12

Seymour Hersh, in his 1968 book Chemical and Biological Warfare says Federal Laboratories is a "chemical company" now handling CBW (chemical-biological weapons) procurement contracts with the Department of Defense, 13 and the Pentagon's list of prime contractors for fiscal year 1979 registers Federal Laboratories as having contracts with the Department of the Army worth \$326,000. As of 1978, Federal Laboratories was the world's largest producer of tear gas. 14

The telephone receptionist at Federal Laboratories upon hearing of our interest in chemical weapons from Federal Laboratories in Afghanistan, said: "You have to talk with Mr. Wells about that." Harry

And riots mean money for Federal Laboratories. That was evident in good sales during the 1960's and early 1970's when tear gas was in high demand by U.S. police in their clashes with demonstrators. When the war was over, more austere times began for the company.

Commented Frank MacAloon, editor of the police trade publication Law and Order, "When peace came to the U.S., the tear gas business pretty much dried up... It's like cockroaches - if you don't have them, you don't need roach killer." (In the early 1970's, Federal Laboratories also encountered other difficulties when it was ordered by a court to pay \$240,000 in damages to a South Carolina prisoner who was blinded in both eyes by Federal's high quality tear gas.)

By now, however, the tear gas business seems to be recovering. In his 1979 Annual Report to the Shareholders , Breeze Corporation President Joseph J. Mascuch reported a 56 percent increase in the net income of Breeze as a whole and, fas as Federal Laboratories is concerned: "Sales of our Pyrotechnics Division at Federal Laboratories, Inc. were down from last year's peacetime record because of changes in the world demand... and some difficulties in obtaining export licenses for military and police pyrotechics. Although the profit-to-sale ratio fell off slightly, Federal Laboratories still maintained healthy gross and net margins."

Wells, Vice President, did not want to talk about that or anything else, was nasty, and hung up. Federal Laboratories, incidentially, has been conducting training courses for police officers, private security firms, and U.S. intelligence officers. 15

In response to a written question in the April, 1980 House of Representatives hearing on chemical weapons, Undersecretary of State Nimetz noted:

"The United States categorically denies that it has ever supplied any type of chemical weapon or agent to any of the parties in the Afghan conflict. In the past, the United States supplied to governments with which it has had security relationships non-lethal agents of the type widely used in the world for maintaining public order. Many such agents are also readily available com-

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In its Annual Report for Fiscal Year 1979, filed with the U.S. Securities and Exchange Commission, Breeze Corporation notes that the principal products of the Pyrotechnics Division of its subsidiary Federal Laboratories "are a variety of law enforcement and security systems and devices, including a full line of tear gas products. Products are used by federal, state and municipal police departments as well as the armed forces. Products are also used by many foreign law enforcement agencies.

"The Division manufactures and markets law enforcement and security devices such as tear gas grenades, projectiles, cartridges, launching equipment and guns.

"The Division is a primary producer of both CN and CS, the principal chemical agents used world-wide in tear gas applications... Sales are made through approximately 35 domestic distributors and approximately 10 representatives for foreign business as well as some direct sales to domestic and foreign customers... We also sell to export agents in the U.S. who, in turn, sell to foreign countries... Export sales are approximately 38%.... There are approximately 95 employees in the Pyrotechnical Division."

According to the annual report, sales of the Pyrotechnics Division totalled \$4,058,192 in 1979 and \$5,240,648 in 1978.

mercially. We have no knowledge, however, that such U.S. manufactured agents have been transferred by any government to Afghans resisting foreign domination and occupation." 16 Obviously, that answer left open the pos-

obviously, that answer left open the possibility that a private U.S. corporation could have supplied such chemicals.

At the same time, the Afghan government has provided considerable evidence, that U.S.-made chemical weapons - most likely weapons that are deadly only in large doses - are being used by the so-called Afghan rebels. On August 20, 1980, the Afghan government took the further step of declaring at a press conference that "the Afghan authorities are ready to let experts from any part of the world examine these finds of U.S.-produced chemical weapons and discover how they came into the hands of counterrevolutionaries."

Such an examination, undoubtedly, has

the potential of becoming very embarrassing to the U.S. government, and in order to cover any hint of U.S. involvement we can expect the rumor mill to grind out still more accounts of "Soviet chemical warfare in Afghanistan."

#### FOOTNOTES

- 1) Jamie Kitman, "A Nerve Gas We Can Love", The Nation, 7/5/80, p.12.
- 2) Gwynne Roberts, "The Campaign of Misinformation", New Statesman, 4/4/80, p.506.
- 3) Eliot Marshall, "Nerve Gas in Afghanistan?", Science, 5/30/80, p.1016.
- 4) ibid.
- 5) Statement by Matthew Nimetz, Undersecretary of State for Security Assistance, Science and Technology in: Hearing before the Subcommittee on International Security and Scientific Affairs and on Asian and Pacific Affairs of the Committee on Foreign Relations, Strategic Implications of Chemical and Biological Warfare, Washington, D.C., 4/24/80, p.6
- 6) cf supra #3, p.504.
- 7) ibid., p.506.
- 8) This 124-page collection of "reports on the use of chemical weapons in Afghanistan, Laos and Kampuchea" was issued on 8/7/80; see <a href="International Herald Tribune">International Herald Tribune</a>, 8/9-10/80.
- 9) cf supra #5, p.5.
- 10) as quoted in <u>Foreign Broadcast Information Service</u>, <u>Soviet Union</u>, 9/10/80, p.C-8.
- Il) ibid.
- 12) Million Dollar Directory, Vol.1, 1980 Dun's Marketing Service, Parsippany, NJ, p.968.
- 13) Seymour Hersh, Chemical and Biological Warfare, Bobbs-Merrill Company, Indianapolis, IND, 1968, pp.253,254.
- 14) Wall Street Journal, 8/2/78, pp.1,31.
- 15) Jim Hougan, Spooks, William Morrow and Company, Inc., New York, 1978, pp.459,460.
  16) cf supra #5, p.51.

## Iraq-Iran War

(Ed. note: Jeff McConnell is a political activist living in Somerville, Massachusetts.)

Claims that Iraq's involvement in the present war has been instigated by the United States have not been taken seriously in this country. Now it is true that there is a coincidence of interests between Iraq and the United States that might make direct instigation by the United States unnecessary -- interests in keeping the conservative Arab oil nations in power and thus maintaining "stability" in the Persian Gulf, for example -- but this coincidence of interests does not receive serious attention in the U.S. press either. In fact, it is difficult from press analyses to understand what is happening in Iran and Iraq. Appeals to ethnic and religious rivalries and to territorial disputes do not explain why the war is occurring now. Press accounts suggest that there has been a long and gradual escalation of fighting to the present level. There is plenty of evidence to the contrary, however, evidence which also makes more comprehensible the claims of U.S. involvement.

At least in part, the war can be seen as an effort by the Hussein regime in Iraq to overthrow the present Iranian government, not just to retake the disputed Shatt-al-Arab that Iran gained control of in 1975. Many writers have agreed that a victory for Iran in the war would increase the power of President Bani-Sadr and the military against the clerics, while a defeat would thoroughly discredit the clerics and create instability in the country. Initial Iraqi efforts to continue the fighting beyond the seizure of the disputed land can be seen in this light. Heavy fighting throughout both Kurdistan and Khuzistan reflected efforts by Iraq to hit Iran at very vulnerable spots and in areas of intense ethnic dissatisfaction. These are the same areas that were targeted in the coup attempt in July, 1980. The aim was, in the words of Terry Povey, Iran correspondent for The Middle East, to "take over a limited base from which to attack the rest of the country." 1

Iran's Islamic government is a threat to
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#### by Jeff McConnell

Saddam Hussein's desire to control the region. Ayatollah Khomeini and Bani-Sadr have made numerous appeals to the Shiites in Iraq to rise up and overthrow Hussein's government, controlled by Sunnis. Other Arab governments also fear calls for revolution by the Iranians, and have largely supported Iraq in the war. Iraq also desires political and military hegemony over the area, and Khomeini's government stands in the way of this.

These facts gain importance from reports, attributed to "Western intelligence officers", that "exiled opponents of Ayatollah Ruhollah Khomeini's regime have been active on the Iraqi side. Former prime Minister Shahpur Bakhtiar, General Gholam Ali Oveissi, the former military commander of Tehran, and another former high-ranking officer were said to have visited Baghdad frequently between the end of August and the middle of September. At the same time former officers of the Shah's forces living in exile in Cairo and Western Europe began to assemble in Iraq..." 2

According to a September 26, 1980, London Times dispatch, Oveissi was in Iraq. According to the same report, exiled Iranian generals in London claimed that Bakhtiar at that time was "also in Baghdad, engaged in negotiations with the Iraqi government and the dissident Iranian commanders." A September 27 AP dispatch however, reported an interview with Bakhtiar on French television "last night" (i.e., September 26), during which he said "he had been in Iraq five times in the last year, but not 'in the recent past'", and a September 29 London Times article said that Bakhtiar had given two press conferences in Paris during the previous several days to dispell rumors that he was in Iraq. However, CBS News reported on October 2 that Bakhtiar had left Paris and was in route to Iraq; apparently the London generals had received advanced word of Bakhtiar's trip, but had not been correctly informed of its date.

The consensus among the collection of "Western intelligence officers" was that at a minimum, the Iranian officers assembled in Iraq "provide the Iraqis with information about the location of Iranian

radar sites and the deployment of ground and air forces", which "could explain the surprise achieved by Iraq in the first air raids on Tehran and the armored thrusts toward Abadan and Khurremshahr." However, "there is no evidence that they have formed a combat force", according to these sources.<sup>4</sup>

The London generals, on the other hand, claim that Oveissi "commands over 5,000 Iranian dissident troops fighting in Western Iran against forces loyal to Ayatollah Khomeini." They claim, for example, that "the Kurdish town of Oasr-e-Shirin... has fallen to the advancing Iraqi and Iranian dissident troops." 5 An article in the West German weekly Stern claims that Oveissi's operations are even larger: "Some 45,000 soldiers who deserted are now being trained for the hour X in about 20 camps along the Iraqi border." The Iraqi government has been widely reported in the past to be supporting such camps. Stern reports that another 25,000 soldiers are waiting in Bahrain and Oman, and another 3,000 in Egypt. 6

Plans appear to be imminent for a move by these forces. On July 7 it was reported that when "asked about the timetable for action, virtually all opposition figures agreed that the blow must fall within a matter of months if the rising wave of communism in Iran is to be quelled." 7 Stern reports that an attack is scheduled by Oveissi's forces on October 26. And the London generals, "under the leadership of Field Marshall Aryana, a former Chief of Staff of the Iranian armed forces under the Shah", were reported on September 26 to be setting up a committee "with the aim of making contingency preparations for what they see as the imminent collapse of the Islamic Republic in Iran. The generals ... are confidently predicting the Khomeini regime in Tehran will be toppled in a military coup within 48 hours. As part of their plans, they are considering chartering an aircraft to fly them to Tehran." These plans seem to indicate a great deal of advance planning with the Iraqis.

The analysis of the war given by the Bakhtiar people is that there are "no essential differences" between Iran and Iraq, and "that it was largely because the ayatollah had been seeking to export his Islamic revolution across the border that the troubles had started." Bakhtiar's people have an interest in an Iraqi victo-

ry; they say that "there is no reason why there should not be friendly relations between the two countries once the ayatollah's regime falls. This would be the inevitable result of defeat by Iraq." 8

Similar estimates have appeared in the U.S. press; David Hirst, for one, wrote in the Christian Science Monitor about the same time that a victory for Iraq would severely discredit the ruling clerics among almost all segments of the Iranian population and surely drive them from power.

Iran claims that the U.S. has been secretly involved in the war. U.S. officials themselves have suggested a partial explanation for these claims that is very revealing but appears only in a few press reports. Unnamed U.S. officials said on September 22 that "many Iranian opponents of Ayatollah Khomeini are known to have traveled between Iraq and the United States." 9 A related, but even more significant, and, if true, more damning charge has been made by Iranian President Bani Sadr. He told the Le Monde correspondent in Iran that the Iranian government had purchased a document detailing a meeting in Paris among Iragis, Iranian exiles, and U.S. and Israeli military experts at which planning for the attack on Iran took place. Flora Lewis cited Bani Sadr's charge in her October 10, 1980 column in the New York Times.

On June 12, 1980 the New York Times reported that General Gholam Oveissi "was able to visit the United States recently, seeking to unify Iranian exile groups here." 10 But only by reading the Farsilanguage Name-Ye Ruz, published in Paris (or the July 22, 1980 Foreign Broadcast Information Service, in which a translation appears), does one learn that Oveissi visited the U.S. "after a trip to Baghdad." 11 On July 9, 1980 the Atlanta Constitution reported that Oveissi "fled to the United States after his ouster in 1979. Since then, he has relocated his exile field command in Paris... But he has frequently returned to the United States, most recently in June..." The Constitution also reports that Oveissi "is known to have visited Iraq", and the suggestion is that he has done so numerous times. As recently as September 26, five days after the start of heavy fighting between Iraq and Iran, the London Times reported that Oveissi "has just returned from the United States to Iraq." Recall that the New York

Times places him in Iraq just prior to this time. Thus he would have been in the U.S., having come from Iraq, a few days before or at the time of the outbreak of the fighting, which he seems to have been involved in planning. It has not been reported who he met with in the U.S. at this time, although it is known that he met with Carter administration people in June 1980. (See below.)

It must be kept in mind that on April 7, 1980 President Carter issued sanctions against Iran that included the revocation of all American visas held by Iranian nationals. Thus Iranians could not enter the U.S. unless they came under one of three categories of exceptions: those applying for and receiving political asylum in the U.S.; those with close relatives in the U.S.; and those needing emergency medical treatment. An additional exception was made for the Shah's family, under an agreement reached between the U.S. government and the Shah before he left the U.S. for Panama in January, 1980.

How then has Oveissi been permitted to enter the U.S. after April 7, and why ? The New York Times reported that it was because "he applied for political asylum when he left Tehran in early 1979 for Paris, where he now lives"; 12 but this would not be a sufficient reason under Carter's regulations. Perhaps more to the point is Henry Easton's report in the Atláta Constitution that according to "State Department officials, Iranians who can demonstrate that they are truly fleeing from persecution in their homeland or those whose presence would be in the national interest are often given visas to live and work in the United States... 'We're not letting people in just for their convenience,' one State Department official said." 13 Since Oveissi has been living in Paris, he is not "fleeing from persecution"; and if it is not for his "convenience" that he is allowed to enter, it must be for some U.S. interest.

Oveissi said at the time of his June visit that "he did not plan to meet with any Carter Administration aides during his current visits." Carter aides had repeatedly denied contacts with the Iranian opposition. However, the New York Times reported that in Washington, "officials confirmed that they had met with aides of General Oveissi on what one called 'a personal basis'" although these officials

"were reluctant to talk about these discussions". 14 And Andrew Whitley, writing in the July 30 Financial Times, claimed that the Carter administration has had contacts with the Bakhtiar faction. Henry Eason reported that there is "evidence of some discussion between Western governments and the opposition leaders, but none that Westerners would acknowledge." He also said that "no outward evidence of Western assistance to the counterrevolutionaries could be confirmed, though it was reliably learned that some Western governments maintain open lines of communication with opposition camps." 15

However, the distinction between assistance and non-assistance is not so easy to make, especially given recent events. At the time of Oveissi's June visit to the U.S., American officials achnowledged that the Carter administration has allowed the exile groups to operate within the U.S. and has "not sought to discourage political activities", while having "backed off from offering any support for General Oveissi or other exiles", but only "for fear of antagonizing Tehran and further jeopardizing the lives of the 53 American hostages there." 16 Geoffrey Godsell obs served that the continued detention of the hostages is viewed by the Iranian leaders as serving as a degree of control against any U.S.-backed coup attempt. 17

Along the same line, Andrew Whitley wrote in the Financial Times on July 10, 1980: "With the fate of the 53 American hostages in Iran very much in the balance Washington will want to move with caution in its dealings with the embryonic opposition movement. Depending on how the internal dynamics of Iran work themselves out this summer and autumn, this posture may change." Already on July 30, however, Whitley was able to disclose that American contacts had been established with the Oveissi faction and the Bakhtiar faction (the two main groups of Iranian exiles organizing to overthrow the Islamic Republic), although he reports that "this does not mean that those groups have been recognized or that help has been extended directly to them." Yet he adds: "On the other hand, they would be considered much more credible and therefore deserving more serious attention if, somehow, the two rivals were to join forces. That message has already been put across."

The message from U.S. officials was ap-

On January 8, 1968, syndicated columnist Joseph Kraft attended a secret meeting of the Council on Foreign Relations at the Harold Pratt House in New York City. Chairing the meeting was former CIA official, William J. Barnds. Also present were former members of the CIA hierarchy, Allen W. Dulles and Robert Amory, Jr. At the meeting, Richard Bissell, Jr. of the CIA revealed that the CIA was going to continue and expand its penetrations and manipulations of U.S. institutions and organizations. This, despite the CIA's charter's prohibition against domestic involvement and despite the then recently issued Katzenbach guidelines ordering a cut-back in the CIA's domestic operations

Joseph Kraft never reported this or any of the other disturbing admissions made by Bissell who detailed the CIA's use of covert operations throughout the world. Now, Kraft has topped his years of covering the CIA by calling for a U.S. government coup in Iran. On September 30, 1980 Kraft wrote:

"Out of the fog of fighting between Iraq and Iran there emerges a clear American war aim. But it does not lie in taking a neutral position between the belligerants (sic), and banking on the Russians and the United Nations to do the rest. On the contrary, this country's best interest would be served by the overthrow of the present Iranian government (emphasis added) and the establishment of a pro-Western regime in Tehran."

Kraft then called for an alliance with the Iranian "military structure" and "middle class" as well as Anwar Sadat and the French and Saudi governments in carrying out the overthrow. Kraft did not mention King Hussein, but this was before Hussein came forward publicly to support the Iraqi regime. In this regard, it should be noted that Kraft defended Hussein when it was revealed that Hussein was receiving close to \$1 million a year from the CIA for "walking around" money as well as "female companions".

Kraft dismissed the legal and ethical concerns of his proposed coup with these words:

"Americans, of course, do not comfortably make such callous calculations of national interest. But that is all the more reason not to let the logic of national interest be lost in the sea of smarmy humanitarianism."

parently taken to heart. On August 8, 1980 Bakhtiar announced the creation of a unified "national resistance movement" to overthrow the government in Tehran. Bakhtiar was named as the head of the movement's political wing, while Oveissi was to head the military wing of the movement. Bakhtiar's participation involved a large concession on his part; several weeks before he had compared Oveissi, who had been responsible for massacres in Tehran in the last days of the Shah's regime, to Chilean President Pinochet. 18 Subsequently, in his September 26 interview on French television, Bakhtiar announced plans to create a "government-in-exile". He claimed that he had been in contact "with a number of nations that have given him advice... He said he would not have decided to set up a government-in-exile if he believed it would be recognized only by Iraq. He said among those who would approve his decision would be 'European countries who have stopped flirting with Khomeini'." 19

Besides advice and promises of diplomatic support, the exiles have other needs. While they "do not appeal for greater financial assistance from the West in explaining their case," according to Henry Eason, they do "indicate a need for Western intelligence and help in countering a feared Soviet entry, should the coup result in a civil war that becomes protracted." One can only wonder if repeated U.S. warnings to the Soviet Union about the consequences of an invasion of Iran have at least in part been a response to this need of the exiles. Very suggestive along the same line is a passage of the September 26 London Times article. It reported that when they are "confronted with the possibility that President Saddam Hussein (of Iraq) might prefer a weakened and bankrupt clerical government in Tehran, with the oil-bearing province of Khuzistan wrenched from its control, the exiled generals reply that such a situation would not be allowed to arise by the United States."

However, on September 28, Deputy Secretary of State, Warren Christopher is reported to have, in a television interview, "signaled... that although the United States remained neutral in the Persian Gulf conflict this did not mean that Washington" would condone the dismemberment of Iran through the seizure of Khuzistan.

Originally, U.S. officials had predicted that Iraq's objectives would be limited; Christopher's statement expressed "concern that the... conflict was spreading beyond original estimates." 20

Among the nations that would probably support Bakhtiar's "government-in-exile" would be Egypt. Given U.S. ties to Egypt, this fact is important for the understanding of U.S. involvement. In addition to the Stern report about Oveissi's soldiers there, it is reported that Egyptian President Anwar Sadat met with Oveissi in May; 21 and a number of exiled officers are known to live in Cairo and to have left there for Baghdad in the weeks prior to the war (see above). Of course, the late Shah and his associates lived in Egypt; Sadat and the Shah consulted reqularly; Sadat gave him a state funeral; and the Shah's trip to Egypt from Panama was arranged at least in part by the U.S. 22 On September 25, Sadat told reporters "that the fighting between Iraq and Iran was a perfect opportunity for the Iranian Army to overthrow the Tehran regime of Ayatollah Ruhollah Khomeini and he said that the United States should support such a takeover." 23

The U.S. State Department disassociated itself from Sadat's remarks, questioning only the means and not the end: "We oppose the violent overthrow of any government, including the Khomeini regime," a spokesperson, Jack Cannon, said. <sup>24</sup> (It has to be added here that the U.S. government has nothing in principle against coups; just several weeks before the White House had given its approval to the coup staged by the Turkish military several days before it occurred. <sup>25</sup>) Sadat's statements surely reflect certain top-level thinking; his mistake was to say it publicly.

Jack Cannon's remark is further ironic in light of the disclosure that the CIA is "responsible for clandestine radio broadcasts aimed at undermining the Iranian rule" of Khomeini and originating from transmitters in Egypt, "one believed to be near Alexandria and the other near the Suez Canal." 26 The broadcasts originated with a "White House request" to Sadat, and he agreed. It is reported that a "senior official" even tacitly confirmed that Americans were involved by commenting that the Iranian authorities "haven't come to us yet about it. If they do, we would do something about it." 27 Even a National Security Council spokesperson declined to 26 - CounterSpy

make a point-blank denial, but described the initial report as "irresponsible and misleading." <sup>28</sup> It is reported that the broadcasts "indicated support" for Bakhtiar and "included a call for 'liberation of Iran', a description of Ayatollah Khomeini as 'racist and fascist' and an appeal to Iranians to 'take guns into your hands' in preparation for action."

It is also known that the CIA has been involved with another attempt to discredit the Khomeini regime. It arranged for the mis-translation and publication of a book by Khomeini on Islamic government. The book was translated into English to make Khomeini's views appear more extreme than they are; people who have read both the original and the translation say that the parts of the latter bear little resemblance to the former. Excerpts of the book were syndicated in a number of newspapers throughout the U.S. early in 1980.

These two covert operations by themselves completely discredit Carter administration denials of involvement in efforts to destabilize the Khomeini government. They become even more important, moreover, when placed alongside the contacts with opposition forces, contacts which the administration has also denied or downplayed, especially given the heavy involvement of these forces in the Iraqi war effort and its aim of unseating the Iranian government.

#### FOOTNOTES

<sup>1)</sup> see Foreign Report, 7/16/80; and The Middle East, August 1980, p.24.

<sup>2)</sup> New York Times (NYT), 9/27/80, p.4.

<sup>3)</sup> NYT, 9/28/80, p.4.

<sup>4)</sup> cf supra, #2.

<sup>5)</sup> The Times (London), 9/26/80.

<sup>6)</sup> Stern (West Germany), 9/25/80.

<sup>7)</sup> Atlanta Constitution (AC), 7/7/80, p.1.

<sup>8)</sup> The Times (London), 9/24/80, p.7.

<sup>9)</sup> NYT, 9/23/80, p.1.

<sup>10)</sup> NYT, 6/12/80, p.12.

<sup>11)</sup> Name-Ye Ruz (Paris), 7/21/80, as quoted in Foreign Broadcast Information Service, 7/22/80.

<sup>12)</sup>cf supra, #10.

<sup>13)</sup> AC, 7/10/80, p.11A.

<sup>14)</sup> cf supra, #10.

<sup>15)</sup> AC, 7/7/80 and 7/11/80.

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16) cf supra, #10
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17) Christian Science Monitor, 7/21/80, p.1.

- 18) AC, 7/8/80, p.6A.
- 19) NYT, 9/28/80, p.20.
- 20) NYT, 9/29/80, p.14.
- 21) cf supra, #10.
- 22) Boston Globe, 4/20/80.
- 23) NYT, 9/26/80, p.10.
- 24) cf supra, #5.
- 25) McLean's, 9/22/80.
- 26) NYT, 6/29/80, p.3.
- 27) <u>Financial Times</u> (London), 7/30/80, p. 16.
- 28) The Times (London), 7/1/80, p.5.

## **CIA** in Turkey

According to the March, 1980 Turkey <u>Diplomatic List</u>, the following CIA officers are stationed in the U.S. Embassy in Ankara:

KENNEY, John H.

b. 11/4/27

Kenney served in Singapore, Indonesia, Tanzania, Guinea, Kenya, France and Vietnam.

SAMSON, David T.

b. 5/2/43

Samson was previously assigned to Singapore.

WARRICK, James M.

b. 10/31/37

Warrick has served in Kenya, Malawi and Senegal.

## New Hebrides: Independent at Last

#### by Konrad Ege

A new nation was born on July 30, 1980: The Republic of Vanuaatu, formerly the New Hebrides, a chain of some eighty islands in the South Pacific. The significance of Vantaatu's independence is comparable to the importance Grenada's revolution has for the Caribbean. Vanuaatu's independence was achieved only after a long struggle and considerable opposition from the colonial French government, French settlers, and a group of rightwing U.S. citizens connected to the U.S. Libertarian Party who wanted to transform the New Hebrides into a tax haven with a laissez-faire economy.

Over the last centuries the people of the New Hebrides have experienced a tremendous amount of suffering. An estimated original population of one million was almost wiped out by slave trade, massacres, and foreign diseases to which the islanders had no resistance. Missionaries and French and British colonists moved in and settled on the islands.

At first, the two colonial powers - who had already divided up the Pacific islands into their respective holdings - couldn't agree who was to get the prize that they

called the New Hebrides. Eventually, they decided on an unprecedented settlement: the islands would become a "condominium" - a joint colony of Britain and France. The colonial powers crushed the last resistance of the original Melanesian inhabitants and set up two colonial systems: a French and a British commissioner, two police forces, two educational systems, two legal systems, two immigration authorities, etc.

After the French colony of Algeria gained its independence in 1962, several hundred former French colonists from Algeria who opposed the independence, moved to the New Hebrides. Many of them belonged to or were connected with the Secret Army Organization (OAS), a rightwing terrorist group which had fought General de Gaulle's decision to negotiate Algeria's independence after years of war. The OAS members were soon to find a renewed pretext to resort to terrorist activities when independence "threatened" in the New Hebrides.

In 1971, the National Party (NP) was formed in the New Hebrides. Its goal was independence within six years. In 1975, the French and British governments agreed

to general elections. In spite of its 59 percent share of the votes, the NP did not gain a majority in the Representative Assembly because of a neo-colonial provision which reserved a certain number of seats for business groups and white residents. In 1977 the NP, then renamed Vanuaaku Pati (VP) established the People's Provisional Government and boycotted renewed undemocratic elections. The VP called on the people to resist the colonial authorities, take over plantations, stop paying taxes, and refuse the colonial officials entry into their villages.

The strategy succeeded, and forced new elections in November 1979. Even though the French colonialists tried to buy votes against the VP, the party won two-thirds of the seats in the Assembly and 63 percent of the votes.

After these elections had made abundantly clear that the majority of the people in the New Hebrides supported the nationalist VP, the French government began to move towards "postponement" of independence. Clearly, the French were worried about the rest of their colonial holdings in the Pacific: New Caledonia, a 7,400 square mile island to the southwest of the New Hebrides which contains one of the world's biggest nickel deposits, and Polynesia, where France has its prized test zone for nuclear weapons.

"At stake for France is more than simply national pride," the Melbourne Age commented on April 28, 1980. "The over-riding realistic fear is that independence in New Hebrides will spell the beginning of the end of that Franch Pacific empire, and all that involves economically and strategically."

On several of the islands, the French OAS began to mount an anti-independence terror campaign. French settlers (who owned 80 per cent of the arable land) staged a rebellion on the island of Espiritu Santo and intimidated VP supporters with virtual impunity as the French colonial police stood by. The settlers were supported by a few hundred Melanesians on the northern island of Espiritu Santo led by Jimmy Stevens, and on Tanna island in the South. Stevens had been claiming for years that he was the legitimate traditional leader of several islands, even though his parents were immigrants.

Stevens became involved with a number of people from the U.S. whose single interest was to form a secessionist state on Espi28 - CounterSpy

ritu Santo and perhaps some other islands which could be used as a tax haven. More concretely, they were interested in forming the first Libertarian state.

This effort was spearheaded by Michael Oliver, a real estate millionaire of Carson City, Nevada. Oliver had made two previous attempts to establish Libertarian states. The more promising had been in the Bahamas in 1973 which were on the verge of independence. With the help of some discontented white settlers, Oliver attempted to split the island of Abaco from the Bahamas, and an "Abaco Independence Movement" (AIM) was formed. Oliver teamed up with Mitchell Livingston WerBell, a firearms dealer from Georgia, who was described in Esquire magazine as a "friend of dictators and CIA agents [and] manipulator of the luck of small nations..." According to the 1975 Esquire article, Oliver and WerBell also worked with former CIA agents and set up a high powered radio station on Abaco. "Independence activists" were given paramilitary training courses on WerBell's Georgia facilities.

In the end, the planned Abaco state never materialized. The Bahamas government banned AIM, barred Oliver and his friends from entering the country, and seized a cargo of arms being smuggled to Abaco. Oliver's plans received no support from the U.S. government either: the existing government of the Bahamas was quite satisfactory for U.S. purposes.

Back in 1971, Oliver had bought land in the New Hebrides. There, he got together with Jimmy Stevens and Hawaiian land developer Eugene Peacock, who had bought land there to settle 4,000 U.S. veterans in what was to become a "New Hawaii".

Stevens was provided with a radio station, and through the Phoenix Foundation hundreds of thousands of dollars were channeled to Stevens' group. The Phoenix Foundation is headed by Oliver, his lawyer Thomas Eck, and Dr. John Hospers, a professor at the University of California who ran for U.S. President in 1972 on the Libertarian Party ticket. According to Thomas Eck, the Phoenix Foundation "is there to help anyone who wants to secede in a libertarian manner." (Tribune, London, 6/13/80)

Oliver went so far as to provide Stevens with a ready-made constitution for the new country based on his 1968 book A New Constitution for a New Country, which

advocates a country solely controlled by private enterprise. Banking laws - to be modeled after the Swiss laws - were to be extremely favorable to investors, and Oliver's country was to become a tax haven Santo with the help of white settlers and like some of the Caribbean islands.

In February 1980, Stevens and other rightists from the New Hebrides including one Alexis Yolou went to Paris to convince the French government to postpone independence. They had talks with British and French officials as well as with VP representatives. It was agreed that talks should continue in April.

When Stevens and his friends went home, they traveled through Carson City. Thomas Eck flew back with them to the New Hebrides. According to the Australian Seli Hoo, News Bulletin on Vanuaaku and New Caledomia, Oliver convinced Stevens to refuse talks and go ahead with a coup.

In the New Hebrides, Eck and Stevens laid final plans for the coup in collaboration with some French colonists. On May 27, 1980 the secessionists of Alexis Yolou moved on the island of Tanna, attacked police stations, which had been deserted by the French police, and government buildings, and took some hostages. However, the rebellion was crushed swiftly when British riot police came to the island.

Stevens himself moved on Espiritu Santo the next day; sacking British government offices and taking several British officials hostage. The "Republic of Vemarana" was proclaimed.

Back in Carson City, Oliver denied any connection with the revolt. At the same time, though, he was organizing Vemarana Development Corporation based in the Bahamas, with the aim of raising \$9 million to purchase ships and aircraft, buy land on "Vemarana", and improve the airport there. Named to the Vemarana Corporation Board, in addition to Oliver, were Eck and Hospers.

The "rebellion" which broke out just a few weeks before the New Hebrides was to become independent, presented a serious problem for the VP government which, although elected in November 1979, did not have any real power until July 30, 1980. The impact of the rebellion was worsened by the support it received from Jean-Jacques Robert, French Resident Commissioner in the New Hebrides. At the same time, French colonists from New Caledonia and members of the Phoenix Foundation who were staying there made regular trips to Espiritu Santo. (Sydney Morning Herald, 6/10/80)

In spite of Stevens' control of Espiritu the Phoenix Foundation, independence went ahead as planned on July 30. Prime Minister Walter Lini called for help from Papua New Guinea which agreed to send 200 troops. On August 31, 1980 after forcing a New Caledonia ship carrying arms for the rebels from Espiritu Santo, these troops stormed the island. They captured Stevens and a number of other rebels. The VP government will put some of them on trial, while others will probably be allowed to leave the country. Many of the French settlers on Espiritu Santo have already left the island and gone to New Caledonia or France.

With this, the rebellion was over and the Republic of Vanuaatu truly independent. The struggle for independence of many other islands in the Pacific and Indian oceans, however, continues.

In recent years a number of small countries like Vanuaatu have been taken over by business groups or by governments who were still pursuing a colonial policy. (Tribune, London, 6/13/80) For instance, French mercenaries plotted against the government of the Seychelles, and were only prevented from taking over by Tanzanian troops who were there to train the local army. Unsuccessful coup attempts were also carried out in the Maldives Islands; and in Camores, a former French colony in the Indian Ocean, the President was killed in a coup backed by the French government.

Other islands are still in the complete control of colonial powers: New Caledonia is one example; Diego Garcia, a major U.S. and British military base, another. A further case in point is East Timor, where an independence struggle has been suppressed by Indonesian and U.S. genocidal actions which have left one third of

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the population dead.

Closer to the U.S., most Caribbean nations are involved in struggles for true self-determination. In this region it is the U.S. government - considering the Caribbean nations to be "its own backyard" - which is waging massive economic, propagandistic, and CIA-controlled paramilitary and covert operation campaigns to prevent

the Caribbean nations from achieving self-determination.

Therefore, while it will not shake the world, it is of great importance that the Republic of Vanuaatu was able to defeat colonialist intervention. Its victory means freedom for its 120,000 inhabitants and is an important inspiration for other nations.

## CIA Banking in Australia: Nugan Hand by Konrad Ege

(Ed. note: The following article is based on accounts from the Australian media. The "Nugangate" affair was originally uncovered by the Tribune, (4 Dixon Street, Sydney NSW 2000), the newspaper of the Communist Party of Australia and has since been widely covered by all of the Australian media.

Konrad Ege is an independent journalist. He has worked with CounterSpy for over two years.)

Imagine: a major international bank collapses, shortly after one of its two directors is found shot in his car. Many of the bank's papers and records are gone. The second director of the bank disappears shortly afterwards. The bank turns out to be some \$50 million in debt, 1 but interestingly, hardly any of the creditors turn up to claim their money from the bank.

No, it's not a novel. The bank was the Nugan Hand Merchant Bank of Sydney, Australia. The bank's directors were Frank Nugan and Michael Hand. The bank's lawyer was former CIA Director William Colby. Indeed, it seems that one of the main customers of the bank was the U.S. Central Intelligence Agency. Other customers were major international drug dealers. But let's start from the beginning.

In the late 1960's, Michael Hand, a former U.S. Green Beret in Vietnam, moved to Sydney, Australia. Hand had worked for Air America, <sup>2</sup> a CIA proprietary that was involved in opium smuggling. According to information obtained by the Australian National Times, Hand had also been assigned to one of the CIA's Phoenix assassination squads in Vietnam. <sup>3</sup>

In Sydney, Hand teamed up with businessman Frank Nugan. They engaged in land
speculation and made their first million.
In May 1970, they founded Australasian and
Pacific Holdings, Ltd., a company that was
supposed to invest in a resort project off
the Australian coast.

Nugan and Hand's business was going well, and in 1973, with their first million, they formed the Nugan Hand Merchant Bank, which was registered in the Cayman Islands, a famous tax haven. The bank's operations soon reached to every continent, and branch offices were set up in Saudi Arabia, West Germany (Hamburg), Malaysia, Thailand, Hong Kong, Singapore, the Philippines, Argentina, Chile, and the U.S. (Hawaii, Annapolis, Maryland; and Washington, D.C.).

On January 27, 1980 Frank Nugan's rapidly climbing career came to an abrupt end: he was found shot in his car 100 miles from Sydney. Shortly thereafter the Nugan Hand Merchant Bank collapsed, and with it many of its dozens of affiliated corporations and enterprises. In June 1980, Nugan's partner Michael Hand disappeared without a trace.

The story of the Nugan Hand Bank that has unfolded since then has the potential of becoming highly explosive for the people connected to the bank and for the CIA. As it turns out, the Nugan Hand Bank has been used in covert CIA operations, and the question has been raised whether the bank actually was set up as a CIA proprietary. In addition, according to Rod Hall, Commissioner for Crime of the State of Victoria, Australian police believe that "the Nugan Hand organization was involved in the importation of drugs into

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#### Australia." 4

Bank's remaining records revealed that Nugan and Hand had been "bankers for big heroin traffickers"; the senior and "most sinister trafficker was Terrence Clarke."5 When the Nugan Hand Bank collapsed, Clarke had been under police investigation for several years. Two of the chief witnesses against him, Douglas and Isobel Wilson, who had acted as his couriers, were shot and killed shortly after they testified. Their testimony has already led to the dismissal of two high-ranking Australian Federal Narcotics Bureau officials for collaborating with Clarke and handing over the tapes of the Wilsons' testimony to

Orders for Clarke's arrest were given on August 29, 1980 on charges of murdering the Wilsons. At that time, Clarke was already under arrest in London, England for the murder of Christopher Johnstone, a former heroin syndicate boss.

It appears that Frank Nugan was also bribing politicians in Sydney and the state of New South Wales. In one instance he resorted to blackmail by setting up a secret bank account in Switzerland for New South Wales Minister of Justice, Frank Walker, who was investigating Frank's brother Ken Nugan. 6

Nugan and Hand's business connections to people linked to the CIA began, at the latest, with the founding of Australasian and Pacific Holdings, Ltd. Four of its original shareholders, U.S. citizens David M. Houston; Grant W. Walters; Robert W. Petersen; and Spencer A. Smith gave their addresses as c/o Air America. Another original shareholder, Donald Meredith. had a c/o Continental Air Services (CAS) address. Like Air America, CAS was involved in CIA operations in Indochina. Several other shareholders who were in from the beginning gave c/o CAS/USAID addresses. 7

Many of the people working for the Nugan Hand Bank were not known as bankers but as CIA-connected counterinsurgency experts. On the top of that list is William Colby, former CIA Director and director of the Phoenix assassination program in Vietnam. Colby's business card was found on Frank Nugan's body after he was killed in January. Colby has admitted doing legal work for Nugan but said that "that was the extent of their relationship." 8 Interviewed

by the London Sunday Times, Colby further Official investigation of the Nugan Hand assured that "there was no connection between Mr. Nugan and my intelligence background." 9 Colby, however, did not say whether or not he was a consultant for the CIA while doing legal work for Nugan Hand. It is common practice for retired CIA directors to continue to consult for the CIA. In fact, Colby admitted in a recent interview that he was a consultant for the CIA at least a year after his termination.

> William Colby was introduced to Nugan by Walt McDonald, "a former chief petroleum expert for the CIA who became a consultant to the Nugan Hand Bank in July" 1979. McDonald was also a close friend of John Paisley, who somewhat mysteriously "committed suicide" aboard his yacht on the Chesapeake Bay near Washington, D.C. in September 1979. Interestingly, Paisley's abandoned yacht "contained highly classified communications gear capable of communicating via satellites linked to the [top secret] CIA ground station at Pine Gap in Australia." 10

Nugan Hand's Washington, D.C. office was run by Admiral Earl Yates from February 1977 to October 1979, and by George Farris, a former U.S. Green Beret in Vietnam. 11 Another U.S. citizen who was approached to work under "deep cover" for Nugan Hand is Peter Wilcox; but he has stated that he declined the offer. He also says that Australian authorities told him "Nugan Hand was involved in CIA operations."  $^{12}$  According to Wilcox, "unbelievable amounts of money were being transferred via Nugan Hand. A tremendous amount was coming out of Australia from what I'd call the 'punter's end' rather than respectable banking circles." 13

U.S. Army General Edwin Black, who was with the Office of Strategic Services (the predecessor of the CIA) during World War Two and a U.S. commander in Thailand and Vietnam in the 1960's, 14 represented the Nugan Hand Bank in Hawaii. In Saudi Arabia, the bank's official was former U.S. Green Beret and CIA agent with Air America, Bernie Haughton. 15

Nugan Hand's representative in Taiwan was Dale Holmgreen who formerly worked as the Taiwan flight services manager for Civil Air Transport, a CIA-controlled company. 16 U.S. General Roy Manors was Nugan Hand's Manila consultant. Manors is now working with the CIA helping to analyze the April 1980 military mission into Iran. 17 The representative of the Nugan

Hand Bank in Los Angeles was Guy Pauker, an Asia specialist for the Rand Corporation with strong ties to the CIA. 18

Given this incredible line-up of personnel, it is no surprise that the Nugan Hand Bank was involved in a number of CIA-connected projects, including the resettlement of Indochinese refugees in Latin America and the Caribbean. In arranging this project, Nugan got in touch with high-ranking U.S. government officials. The Tribune reported on August 27, 1980:

"Frank Nugan met [Jimmy] Carter then a presidential candidate on September 26, tions.) Other reports indicate that the 1976. The meeting was arranged by John Golden, a close friend of top Carter aide Hamilton Jordan. [Later on,] a retired general, Earl Kocke, sold the White House a Nugan Hand plan to take over a former U.S. naval base in the Caribbean: Grand Turk Island. Nugan Hand planned to use it as a transit camp for resettling Meo refugees from Laos. The White House agreed to the plan in February [1980] - after Frank Nugan's death. The collapse of Nugan Hand Bank killed the plan. The transit camp on Grand Turk Island was part of a larger CIA plan to resettle the Meo in Latin America. The Meo, traditional opium growers from the Laos hills, were used as mercenaries by the CIA in the Laos war."

The Nugan Hand Merchant Bank was not the only CIA-connected bank registered in a tax haven island in the Caribbean. Another such bank was Castle Bank and Trust in Nassau, Bahamas. In a copyrighted article on April 18, 1980, the Wall Street Journal reported that during the early 1970's the Castle Bank was being investigated by the Internal Revenue Service (IRS) and the Justice Department in what was likely to become "the single biggest tax-evasion strike" in IRS history. Under pressure from the CIA, however, the Justice Department and the IRS dropped the investigation because - according to the Wall Street Journal - Castle Bank "was the conduit for millions of dollars earmarked by the CIA for the funding of clandestine operations against Cuba and for other covert intelligence operations". And, some of the anti-Cuban operations were carried out "by CIA operatives working from Andros Island Bahamas ... between 1964 and 1975."

According to The Australian, the Nugan Hand Bank was also used as "a secret slush fund organization to channel CIA money into pro-American political parties in Europe... Millions of dollars were secreted into the bank's Australian operations before being sent to Europe." The Australian goes on to say that the Christian Democratic Party in Italy was one of the recipients of the money. 19 (One of William Colby's initial CIA assignments was providing money to the Italian Christian Democrats in the April, 1948 elec-CIA channeled covert founds to Southeast Asia through the Nugan Hand Bank. 20

According to an unnamed "former Nugan Hand executive", the CIA also transferred \$2,400,000 to the Australian Liberal Party in 1973 through a mining company associated with Frank Nugan. At the time, the Nugan Hand Bank was just being formed. William Colby was Director of the CIA, and the CIA was very upset about what was going on in Australia at the time: the Labor government of Prime Minister Whitlam had come to power in December 1972. Unlike the previous Liberal (that is, conservative) Party government, the Labor Party subjected Australia's intelligence agencies and the CIA's activities in Australia to scrutiny. On November 11, 1975 the Whitlam government was dismissed by arch-conservative Governor General John Kerr, who used an "archaic constitutional power never before exercised." 21 The dismissal came only three days after the CIA served an ultimatum to ASIO (Australian Security Intelligence Organization, the CIA's counterpart in Australia) that it would break links if public discussion continued on CIA funding of conservative political parties in Australia.

James Jesus Angleton, who retired from the CIA in December 1974 after 31 years of service, was asked by Australian Broadcasting Company reporter Ray Martin on June 12, 1977 whether the CIA had ever funded Australian political parties. Angleton evaded a direct answer, but conceded that such activities, if undertaken would have been "coordinated with the chief of Australian internal security." 22

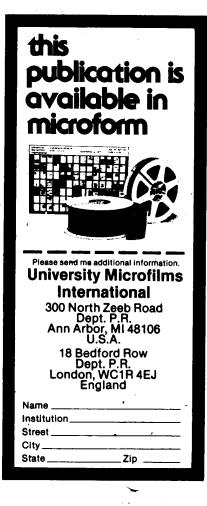
Although all of the above information has already been made public, the Nugan Hand affair (or "Nugangate", as it is referred to in Australia) has yet to come to an end. On the orders of Australian Prime

Minister Malcolm Fraser, a joint commission of federal and New South Wales state police are presently conducting an investigation. But the question is how hard they are looking. So far, most of the information has been uncovered by courageous Australian investigative journalists. With their continued work, the truth of the Nugan Hand affair will be told.

#### FOOTNOTES

- 1) London Sunday Times, 8/31/80, as quoted in Boston Sunday Globe, 9/7/80, p.42.
- 2) Tribune, 7/30/80, p.8.
- 3) <u>National Times</u> (Australia), 8/10-16/80, pp. 1,31.

- 4) Sydney Morning Herald, 8/23/80, p.3.
- 5) cf supra, #1
- 6) Weekend Australian, 8/16-17/80, p.1.
- 7) Tribune, 8/6/80, pp.1,2.
- 8) Wall Street Journal, 5/1/80, p.31.
- 9) cf supra, #1.
- 10) cf supra, #3.
- 11) ibid.
- 12) ibid.
- 13) ibid.
- 14) ibid.
- 15) cf supra, #2.
- 16) cf supra, #3.
- 17) The Australian, 9/1/80, p.1.
- 18) cf supra, #3; Tribune, 8/27/80, p.2.
- 19) cf supra, #17.
- 20) cf supra, #1.
- 21) Denis Freney, The CIA's Australian Connections, Sydney, 1977, p.26.
- 22) ibid., p.29.



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later i'm touching country it's invoking you in anti-CIA Afghanistan to Mississippi now i'm in Princeton still your thread continues you see we'll walk the beach for it's where anti-trivialists past present abide to bring future into now all else being trivial than we'll deep six into sleep to hear ourselves away from elephantine sounds of Lilliputian minds still, it all comes out to George Jackson's assassination despite our innocence it's hard to love knowing it happened and Richard Helms said he did it: "out of the goodness of my heart." when he trained Chicago cops who murdered Hampton and Clark.

by John Kelly

## Fingermen Are All Thumbs

by Franklin Folsom

© Franklin Folsom

"I may want to commit a crime someday, and I understand that a criminal is supposed to leave fingerprints at the scene." This was my explanation to the young woman in the police station when she asked why I wanted a set of my prints.

The officer gulped. For a moment I thought she was going to call for reinforcements, but on the off chance that I might be the harmless white-haired old man I looked to be, she tried again.

"Why do you really want them ?" (She smiled soothingly as she asked.)

I told her. "Although the FBI has long had my prints, they don't seem to feel happy about them and have asked for my help."

"Why does the FBI want them ?"

"I've asked for my FBI file under the Freedom of Information and Privacy Acts. The Bureau apparently isn't sure I am who I claim to be, even after I sent them all my past addresses, plus a sworn notarized statement saying I am who I say I am."

That glimpse of comforting red tape gave the young officer the sense of security she needed, and she proceeded to besmudge herself and me and record the fingerprints without which the FBI was immobilized.

I had debated whether or not to comply with the request for prints. But so far as I am aware, I have not in seventy-two years done any harm to my fellow Americans nor am I known to be wanted for any crime I did not commit. So I decided to send the prints in and thus remove the latest pretext for evasion in the J. Edgar Hoover Building in Washington.

But perhaps the FBI really doubted that I was the Folsom I claimed to be. I remember visiting the Department of Justice Building about the time the United States entered the war against Fascism. My mission was to persuade the Department to release from Ellis Island one Ambrogio Donini, a distinguished professor of comparative religion at the University of Rome. He was being held on the pretext that he had a brother in the Fascist Italian Navy. The charge was true - as far as it went. Ambrogio Donini did have a Fascist brother, but Ambrogio was thoroughly antifascist.

In time the "confusion" was resolved, and Ambrogio entered the country where he edited an antifascist Italian language newspaper, useful to the war effort. But the day I was in the Justice building on his behalf I didn't get out before I saw what I assumed was a stage prop left ostentatiously on a desk I would have to pass. It was a fat folder, and lettered on it was "Frank Folsom".

Was the Justice Department or the FBI accustomed leaving folders about citizens lying around this way? I doubted that it was standard operation procedure. Possibly the folder was filled with blank paper, bulking it out so it looked impressive. But then it occurred to me that perhaps some fellow whose name resembled mine might have had his file enlivened with sinister material about me.

In due course I found there was such a possibility. At the very time I was in the Justice building, one Frank Folsom was serving as chief procurement officer for the Navy Department. The FBI might have been asked to take a look at someone who had massive government funds to spend, particularly if the FBI was inclined to get him mixed up with Franklin Folsom. I, after all, was pretty obviously a dangerous character. From 1937 through 1942 I served as Executive Secretary of the League of American Writers whose 800 members had prodded the government to do this or that, even during the two years when Franklin D. Roosevelt and Katherine Chapin, the wife of Attorney General Francis Biddle, were among the 800.

The possibility that Frank Folsom and Franklin Folsom could occasionally be mistaken for one another seemed more likely some time later when Frank had risen in the world and was head of the Radio Corporation of America (RCA), and I had sunk to being a free-lance writer. A letter, somewhat as follows, came one day to my home:

"Dear Mr. Folsom, It is our privilege to remind you that your annual contribution of \$5,000 to the Boy Scouts is now payable."

Five thousand dollars was about what I

earned in a whole year of writing - that is, a good year.

But back to my request for my FBI file. One day I did receive a sample of what I might expect if I persisted. It included little of interest, and on many of the pages almost every line had been blacked out with a marking pen - to protect "national defense" or the identity of informants. However, I did persist.

Finally I received word that the FBI had got its act together. But first it seems the law required the Bureau to notify me that the file it had assembled consisted of "more than 25 pages". There was no indication whether it ran to 26 pages, or 260, or 26,000. I had heard what happened to Corliss Lamont when he asked for his file. The FBI included a lot of photocopies of books and pamphlets he had written and published.

In a panic I insisted that I not be billed for photocopies of the 44 books I had published. Also I wanted excluded from my file all the considerable material I had written, edited, and distributed for the League of American Writers.

More delays.

I like to think it took time for the FBI to whittle down my file by eliminating' such things as books for third-graders about cowboys and Indians. But finally a bill came for \$29.70. After I sent a check for this amount, and not before, I got 297 photocopied pages. A quick glance told me that much material was being withheld. There was almost nothing, for instance, about the years when I was Executive Secretary first of the League of American Writers, then of the New York Council of American Soviet Friendship. It was because I held these jobs that I was listed in the FBI's Security Index as a "Key Figure". I complained to the Bureau about its inattention to a matter of such obvious importance according to the FBI scale of values, and a few more pages dribbled in, this time without a bill.

From what I have received so far I have learned much about myself that I did not know. For instance, that I sometimes go under the name Benjamin Webster. (Had someone heard that I wrote several children's books under the name Benjamin Webster?) I am also known to the FBI, although to no one else, as Fred Franschi. I must remember to write the family of the late Frank Folsom and ask if he ever used those names,

perhaps for ceremonial purposes in connection with his duties as a Knight of the Sovereign Order of Malta.

The file reveals that it was "Confidential Informant T-2", a person "of unknown reliability" who originally put the name Benjamin Webster into my record - where it is later repeated as a fact to be relied on without any reference to its dubious origin.

My file also registers, and no doubt about this, that I lived exactly where my printed stationary and the telephone directory said I lived. How much this information cost the tax payer, no one will ever know. Many different informants, possibly copying each other, but surely drawing different pay checks, came up with the same data. Here was one fact the FBI had straight.

At least 30 "Confidential Informants", some identified by such symbols as "N" or "200" and others as "T-1", "T-2", and so on through "T-25", sent in reports about me to supplement the researches of an undetermined number of Special Agents. Here is a tidbit from a 1953 report by one of the Special Agents: "Subject's car was observed parked in front of the New Brunswick Theological Seminary." I was there all right, attending a meeting of people interested in stopping the war in Korea. At least the FBI had evidence that I myself attended a meeting I had done my damndest to publicize.

Not only did I find such records about myself, but I also got at least one start-ling'bit of news about my wife of more than forty years. She, it seems - totally without my knowledge or her own - had taught for three years (one informant said five years) in the Communist Workers School. Clever woman.

Another discovery really made me look in the mirror. The FBI was afraid of me!

J. Edgar Hoover ordered his Special Agents not to interview me, saying, "Because the subject is self-employed as a writer, authority to interview the subject is denied." At least eight later times agents were ordered not to interview me. Because I am a writer.

And because I was an official of a writers' organization I was dubbed a "Key Figure". I have hesitated about drawing attention to this classification because persons really familiar with the Communist Party will smile at the notion that I was

a "Key Figure" in the revolutionary movement. A keen participant certainly, but equally certainly, not key. Unless, of course, I underestimated the FBI's regards for writers. Many of the best in the country belonged to the antifascist organization I served.

There is no doubt about the fear. My file even provides evidence about it in connection with other word merchants. For example, I find strict instructions that Special Agents should not interview my old Boy Scout Master (a newspaperman who had been guilty of association with me since 1923) "because he is a professor of journalism".

So, writers, take heart. There are those who know your worth.

But apparently the FBI did investigate my scout master without interviewing me. For some reasons my file reveals that he "appears to have been a friend of Anna Louise Strong, pro-Chinese Communist". What had happened was this: My friend was not pro-Chinese, or pro-Russian or pro-Communist of any kind. He was merely pro-University of Colorado where he taught. There, as a favor to a campus lecture bureau, he and another professor taxied Anna Louise Strong from Denver to the campus to give a talk.

The one time that Special Agents did approach me (it was around 1942) they sought information about several students who had been among the 3,000 who had attended the Writers School run by the League of American Writers. I said I would answer in writing any proper question put to me in writing or put to me in the presence of my attorney. No pair of agents ever reappeared on my doorstep.

Although the FBI avoided me (and my wife, also a writer), it did muster enough courage in 1955 to interview my non-writer mother, then 76. I must ask her at her 102nd birthday party, which comes up soon, what she told the agents.

On with my file. I find a note dated 2-27-55 that I am marked "Tab for Detcom". (All applicants for their FBI files should ask the Bureau to supply a glossary with the files.) Does Detcom refer to those deemed suitable for placement in detention camps for communists ? Attorney General Biddle in 1943 ordered Hoover to do away with his Detention Index. But I understand Hoover was adept at evading such orders. He simply changed the labels on his files. wit - that's a nice touch. A kind of coun-

Five days after I was marked "Tab for Detcom", orders came through not to tab me for 'Detcom - whatever that was.

One thing I learned will be of great interest to the earnest Republican who owns tourist cabins on the ranch adjoining the site of my home in Colorado. The FBI thinks that I made at least part of my living by pocketing the rents paid by tenants in his cabins. Writing is a bad way to make a living, but not that bad.

Now comes a memorandum dated 11-1-63 from SAC Newark (does that mean Special Agent in Charge, Newark ?) to "Director FBI" (I know what that means) about Franklin Brewster Folsom. A diligent researcher has dug up my middle name (from a rare copy of Who's Who in America ?) but the body of the memorandum dispenses with this frill. It's about Franklin Folsom, and it's a "reliability memorandum regarding subject", meaning me. Moreover, there were apparently seven copies of it deemed "suitable for dissemination". Dissemination to whom ? How reliable is this "reliability memorandum"? Does it include data about Frank Folsom, and if so which Frank? There is no way of telling from the file in front of me. The "reliability memorandum" itself is missing.

Much earlier, May 18, 1950 (the files arrived in no discernible order and certainly not chronological order) Louis Budenz in an interview with the FBI identified me as a "concealed Communist". He presumably got paid for this testimony. On February 5, 1951, Budenz deleted the name of Franklin Brewster Folsom from a list captioned "400 concealed communists revealed by Louis Budenz". No doubt Budenz drew his pay for work on February 5. Then in June he was back at the same stand. He identified Franklin Folsom as one of these "concealed communists". Later, perhaps on the same day, perhaps on another this is not clear - Budenz, reinterviewed, "was unable to satisfy himself of the identity of Folsom and his Communist affiliations". Another paycheck.

And how about this entry, still earlier ? Confidential Informant "N" reported April 28, 1942 that I was talking to a reliable informant - a Communist Party member. (The FBI considered such a person reliable ?) This reliable informant told the Confidential Informant that I was the "Party wit" of the League of American Writers. Party

ter-court jester ? Could this hearsay of hearsay really mean that someone thought I was the Party "Whip" - no doubt scourging Party writers who did not toe the Party line ?

I must note before I leave Confidential Informant "N" and apparently other informants who were no more observant, that in 1936 (one of the several dates on which the file says I joined the Party) I collaborated on a paperback book with a man whose name was Frederick Engels Menaker. And the title was The Life of the Party. More observant than the FBI, Joseph Friedman, then editor of the Communist magazine New Masses, saw our paperback on a newsstand. Expecting to find some meaty political matter, Joe bought a copy. He was furious when he realized that he had invested in a collection of parlor games for adults. But perhaps here I do the FBI an injustice. Someone in the Bureau may have read the book, found out what it was, and sagely left mention of it out of my file. Whether it was the FBI or not I don't know, but a book buyer did order from University Microfilms a Xerox copy of this long-out-of-print publication. A few years ago I received a check for the royalty due on a single copy.

At the end of 1946 there was a kind of summary report on me for the year. On page 9 of this report I am reminded that a real estate agent obtained a tenant for the summer for my New York apartment. The tenant, I learned after the lease was signed and I couldn't do anything about it, was a very close friend of the Italian Fascist Marshall Badoglio. He, the lady assured me, was at that moment in the United States under an alias - although many antifascist refugees were being denied entrance. My file would have been much more interesting if it had thrown some light on how Badoglio got into this country - and whether he used my apartment. Whoever let him in may know the full story, but can this someone also explain why my apartment was ankle deep in talcum powder at the end of the hot summer ? I was left to speculate that Countess Mariella de Pisa, as the lady in question liked to be called, was not familiar with the use of the shower.

Time and again my file suggests tantalizing questions like this, then provides no answer. For instance, why did the FBI continue to spend money trying to estab-38 - CounterSpy >

lish that I really was a member of the Communist Party when I had sworn that I had been in a statement I filed with the Department of Justice at the time I became a staff writer for Tass, the Soviet news agency ? To hold this job I had to register as an agent of a foreign power and to answer questions about my political affiliations. I simply told the truth. I now tell it again when I say that I engaged in no political activity of any kind as long as I worked for Tass. And, perhaps surprisingly, the FBI does not contend that I did. That task was left to the Senate Internal Security Subcommittee which may have tried, through me, to link the U.S. Communist Party, Tass, and - hold tight the Rhodes Scholarships, in a remarkable conspiracy.

It was my schooling that fascinated the subcommittee:

"Mr. Morris (subcommittee counsel). Now what has been your education ?

"Mr. Folsom. I decline to answer that question for the reasons stated.

"Mr. Morris. You mean you refuse to tell us where you went to school?

"Mr. Folsom. You have my answer.

"Mr. Morris. Because you might possibly be giving testimony against yourself ? "Mr. Folsom. Yes.

"Senator Johnson. Did you finish any college ?"

Neither the senator nor Mr. Morris could understand why I wouldn't say anything on such an innocent subject, if indeed it was innocent. The reason, of course, was that if I gave testimony on that or any other subject, I would lose my protection under the Fifth Amendment, which I pleaded, as well as pleading the writers' amendment the First. If I surrendered the protection of the Constitution, the Senate Subcommittee could probe freely into my personal beliefs - which it had no business doing. It could demand that I give names of associates whose efforts to achieve a better world I thought demanded respect, not harassment. Since I wouldn't discuss my politics except where and when I chose to do so, and since I wouldn't inform on decent people, I availed myself of the First Amendment for the purpose for which it was intended - to protect the innocent weak from those who misused power.

I didn't suspect what the committee might have been fishing for until later when Courtney Smith, American Secretary of

the Rhodes Trust, reported to a gathering of Rhodes Scholars that the Chicago Tribune, always alert to save America from Britain, had been warning its readers that the Rhodes Trust was engaged in some kind of skulduggery. The Trust may have its faults, not the least of which is the source of its funds in racist South Africa, but the Trust is certainly not in cahoots with the American Left or the Soviet Union to do you-know-what. But perhaps the Tribune or the Senate subcommittee or somebody may have had something. It was at Oxford that I joined the October Club, the Communist undergraduate organization, which at the time was headed by Frank Meyer who later found an editorial post on the National Review more congenial to him.

One of the things I couldn't find out from reading my file was whether it was a "friend" or an FBI burglar who at one point swiped my personal address book. And there is no hint about what annoyances, or worse, may have been caused people whose names appeared in that book. There was, however, a clear implication that those listed there were all to be watched because of their association with me. Did Special Agents quiz Dr. Milton Levine, for instance ? He was our pediatrician, and I never saw him except on medical business. And who was Dr. Benjamin Brockin ? I have forgotten, unless he was the surgeon I never saw except at the time of an operation on the leg I broke while doing war service in the merchant marine.

And here is a name to get braced for: Frank Aydelotte. How he would have laughed if he had found out that the FBI was keeping an eye on him because of me. I can't now be sure why I saved his address. Perhaps, like the FBI, I just squirreled away stuff long beyond the time when it might have had some meaning. But I had known Aydelotte years before, when I taught at Swarthmore College where he was president. Also he had preceded Courtney Smith as American Secretary of the Rhodes Trust which had financed my three years at 10xford. The notion now crosses my mindathat the FBI may have leaked to the Chicago Tribune and the equally patrioticiSenate Internal Security Subcommittee the alarming news that the name of the American Secretary of the Rhodes Trust was in the address file of a Key Figure in the Security Index.

Newspapers have received material from

FBI files, although the Bureau is forbidden by law to give out such material. A reporter on the Scipps Howard Rocky

Mountain, News told me he was sure a lot of "information" he had about me came from the FBI. And he relied on this information when the Rocky Mountain News in 1961 led several Colorado papers in a campaign against me and my wife. We were at the time on the staff of the Writers' Conference at the University of Colorado.

The FBI does not give up easily. On April 30, 1968, when I was nearly 61, this note was inserted in my file: "A re-evaluation of subject's subversive activities, his physical well being and potential dangerousness (sic) continue to warrant the subject's inclusion in the Security Index." If my physical well being made me eligible for the Security Index eleven years ago, does it make me eligible today? How decrepit do I have to be to be "purged" from the Index?

And how about my CIA file ? More than a year after I applied for it, I got this letter: "Dear Mr. Folsom: Would you advise whether you were ever associated with the Radio Corporation of America, and if so in what capacity? We are asking you this since we have information which may or may not pertain to you."

I wrote back: "I am not now nor have I ever been associated with R.C.A."

Long silence.

Finally a package came from the CIA, and I was reminded by it that over a period of more than thirty years I had exchanged a few letters with people I had known in the States who were visiting or living in Moscow. Less political letters it would be hard to find, although I don't know why I shouldn't exercise my human right to discuss politics if I want to. But the CIA methodically noted the dates of these letters, to whom they were sent, and who wrote them. Then someone interested in handwriting got busy with communications sent to me by Vladimir Kazakevich, a Russian emigre who had returned to his homeland after living in the United States for some years.

"Kazakevich's last two items to Folsom," notes the handwriting expert (or was he or she a cryptanalyst?) have been addressed to Franklin Folsam and he has called him Franklyn on the inside. It is not known whether this has any special significance. The 'a' in Folsam (correct

spelling 'Folsom') has a hook on it, but all the other 'a's in his correspondence do not have this hook." Apparently it never entered the head of the CIA graphologist that English might be a second language for Kazakevich and that on occasion he might lapse into Russian habits of selecting vowels and shaping them as he wrote longhand. But I suppose that if you are in the spy-and-conspiracy business, you think everybody else might be too.

But that is not all. The CIA has given me photocopies of these letters, thus providing me absolute proof that an important branch of the United States government violated my constitutional rights. Under separate cover I am billing Rhodes Scholar Stansfield Turner, Director of the CIA, for damages. I shall do this in the wake of a 1978 decision by Federal Court Justice B. Weinstein of the Eastern District of New York. Justice Weinstein awarded Corliss Lamont \$2,000 for letters of his that had been opened by the CIA, and he also awarded \$1,000 each to Victoria Wilson and Rodney Driver and Stanley Faulkner whose mail had been similarly tampered with. How the judge arrived at his figure for damages is not as clear as his denunciation of the CIA. This leaves me in a quandary about how much to charge Turner. Perhaps \$1,000 a letter would be a good figure, and if I get more than \$2,000 I'll give the difference to the National Emergency Civil Liberties Committee of which Corliss Lamont is Chairperson.

From material related to the Soviet Union, my CIA file jumps to heavily "sanitized" (their word) stuff having other connections. Here is an entry: "Dispatch is withheld in its entirety." What could this mean? The date is August 20, 1964. I begin to remember. My wife and I were on the coast of Wales living in a cottage lent us by an old Oxford friend.

I recall more. This was the month of the Tonkin Gulf "incident". When I first heard of this caper, I was dead certain that it was designed as a pretext for military action against North Vietnam. But the Times of London thought otherwise. That journal accepted the official U.S. account of the affair.

For the August <u>Times</u> to acquiesce so meekly seemed undignified, and I wrote a letter saying so and protesting the United 40 - CounterSpy

States action in Tonkin Gulf. In my communication I requested space in the <u>Times</u> not only as an American visitor, but also as a graduate of a British university.

One day a letter arrived from the editor -in-chief of the <u>Times</u>. With it was the letter I had written to him. He said he was returning it "for my own good". Very kind.

Did the "dispatch", which the CIA admits relates to me, also relate to word the CIA received from the Times? The CIA knew very well that I had just come from six weeks in the U.S.S.R. where I had been gathering material for a kids' book on that country. They even knew I had a contract with a leading Bible publisher (Thomas Nelson) to do the book. Had I, while visiting a children's camp in the Pamir Mountains, near the Soviet-Chinese border, received instructions to write just such a letter? Or had I simply remembered the Maine?

It will surprise no one that the CIA "dispatch", which I take to be about the Tonkin Gulf incident, does not appear in the Pentagon Papers, but I can't help wondering if it ever crossed the desk of Dean Rusk who did his share to heat up the Vietnam War. And if Secretary of State Rusk did see the dispatch about a perverse peacenik, I wonder if he noted that it concerned an American contemporary of his at Oxford - a young man who ignored technical niceties of citizenship one day and joined a large number of English undergraduates and wore a white feather in his lapel ? That feather was an answer to war propaganda of another era. It said clearly to all Oxonians, "I will not fight for King or country".

In addition to this mysterious "dispatch" withheld for "security" reasons, page after page of my file is almost completely blacked out. There is no telling, for instance, if reports sent to Washington from Mexico refer to me or to the head of R.C.A. or to some other Frank Folsom. I certainly have been to Mexico several times. While I was there, I did look up several of the good people who had fled the United States during the McCarthy period, but I spent much more time visiting archeological sites and museums than I did chatting with old Lefties.

I even did some work on children's books, and in the course of this activity I was photographed twice in the State Department-

supported Benjamin Franklin Library in Mexico City. It happened this way: I had left my name at the Embassy where I had gone hoping that their business library would have the name of the new editor and the new address of one of my publishers. Not finding what I needed, I walked to the Benjamin Franklin Library to make a second try. There, immediately after my arrival, the reference librarian snapped a picture of me once in the stacks and a second time in front of the circulation desk. With the ink scarcely dry on my signature at the Embassy and two snapshots to go with it, the spooks ought to feel pretty sure who it was they were spooking. But where are these photos ? They don't turn up in my file. Was the CIA still worried it might be sending me a photo of the head of R.C.A.?

There is no way of knowing how the tax payers' money was being spent on surveillance of me in Mexico, but it is a safe guess that there, as elsewhere, the government's finger men were all thumbs. Perhaps I should try to find out more of what was going on from that fellow Philip Agee who flitted in and out of Mexico before he wrote his book about the CIA.

Now let's see what my Naval Intelligence file reveals. The FBI files show that Naval Intelligence was duly informed about when I entered the U.S. Maritime Service. But Naval Intelligence apparently has no record of my service. That's a pity, because I am curious about an episode in which that agency might have taken an interest. I was in the U.S. Army Hospital in Scotland with a broken leg on which an operation had to be performed. A young woman, who cheered up the merchant seamen being cared for in this hospital along with military personnel, offered to get me any newspapers I might want. I requested the conservative Times of London, the liberal Manchester Guardian and the Communist Daily Worker.

The young lady fled, and an hour later two British security officers appeared and demanded my passport. When they returned it the next day, I was on a stretcher in the corridor outside the operating room. The operation was cancelled, and I found in the back of my seaman's passport, written in ink that has lasted well to this day, "The United States War Shipping Administration is responsible for removing the bearer of this passport from the United Kingdom at the earliest

possible date." And I was promptly deported, but not on a ship. That slow means of transportation was reserved for G.I.'s desperately wounded at the Battle of the Bulge. I was hastened out of Britain by plane.

Back to my FBI file. I notice my fingerprint card again. Something on the reverse side catches my eye. I missed it first time around. It is a stamped notation that reads: "No arrest record. Sept. 21, 1977."

Can it be that the FBI does not know about two occasions when I was arrested, tried, convicted and fingerprinted? I will help the Bureau, since it obviously needs help. On one occasion I was sentenced to ten days or ten dollars (that was a lot in 1934) for "littering and using loud and abusive language" when I helped strikers on the Fifth Avenue Bus line by passing out leaflets. On another occasion I got well beaten up by police, then arrested and sentenced to thirty days because I protested when I saw cops beating up a man who lay helpless on the pavement.

Apropos police, J. Edgar himself got really excited, according to my file, when his office was asked to check the accuracy of a juvenile book The First Book of Police. The woman who wrote it chose to sign it Jay Campbell. J. Edgar wanted to know if this was the same Jay Campbell whom he had listed as a Communist. And was it my wife who used the name Jay Campbell? (It most certainly was not.)

But why is a sheaf of papers about this Jay Campbell in my file? It must be because of guilt by association. I was associated with my wife. She (and I) used the same literary agent who handled the Jay Campbell book. And we both had books published by Franklin Watts who brought it out. You can't be too careful.

Enough about my files.

Consider how much money was wasted on me, and I am just one of 26,174 names Hoover had in his Security Index. How many among these represented any threat to national security? Any threat of any kind that could not be taken care of at the polls, if the voters so desired? And if I was a threat, why did the FBI wait until 1966 to notify the Secret Service "in connection with Presidential Protection" to look out for me as "potentially dangerous"?

Come to think of it, I wonder if this notification explains the presence of a self-described Secret Service Agent in a class in writing for children that my wife and I taught one summer at Colorado Women's College. This agent was absent from class the day President Nixon's motorcade drove by the college. I didn't go to the window to see it, but if I had gone, I might have caught a glimpse of our student, and her husband who was also in the Secret Service, out there in the crowd making sure that the likes of me did nothing to harm the man who had done so much harm to this country. I disapproved of just about everything Nixon did - and this was before Watergate - but harm him ? The only people who suggest that kind of thing are either desparate damn fools or police agents.

But, they say, if a lie is big enough, people will believe it. Certainly that appears to be true of the FBI. But the question of belief aside, it pays the FBI to base much of its operation on the myth that advocates of socialism are also advocates of violence. If word got around

that this was not so, a lot of Special Agents, and Confidential Informants, and CIA spooks, and upper level administrators would have to look for honest work, and jobs in that line are hard to find in a society which already has millions unemployed.

Finally comes a sheet from the FBI marked "revised 1/10/79" which apparently has something to do with the birthdays of forty or fifty people. Their names are all carefully arranged in months, and they are identified as being in "teams" with labels such as "6th team 2", "28th team 1". To figure this out I need the help of a cryptanalyst - one smarter than whoever labored over Kazakevich's handwriting. What the hell is this birthday sheet all about ? And several other sheets that follow and have just as little to do with me or with anyone whose name I recognize ? Is it a schedule for jolly parties for teams of Special Agents ? The best conclusion I can come to is that a batch of sheets got into my file by mistake. This gives me a pause. What from my file may be in somebody else's ? And I don't mean any file labeled Frank Folsom.

## **Colonia Dignidad: New Revelations**

by Konrad Ege

(Ed. note: The following article is an update of "Colonia Dignidad - West German Concentration Camp in Chile" which appeared in CounterSpy vol.3 no.3. For reasons of clarity, some of the information

In the beginning the case seemed to be an ordinary libel suit. By now, it has turned into a major affair involving public figures like the West German ambassador to Canada, Erich Straetling; Gerhard Mertins, the director of the scandal-ridden arms trading company Merex; a number of West German Christian Democrats; and possibly even Franz Josef Strauss, West German candidate for chancellor, president of the conservative Christian Social Union (CSU) and governor of Bavaria. This libel suit began just a few weeks

after the West German section of Amnesty International (AI) published a 60-page booklet entitled "Colonia Dignidad - German Model Farm in Chile - a Torture Camp of the DINA" in March 1977. The booklet provided in that article is repeated here.) charged that Colonia Dignidad, located 400 km. south of Santiago, Chile near the town of Parral, was (or is) being used as a concentration camp by the Chilean secret police DINA (now renamed CNI). Colonia Dignidad officials charge the booklet is a complete fabrication.

> Colonia Dignidad was founded in 1961 by West Germans coming from the town of Siegburg near Bonn. They belong to a small sect whose ideology is a mixture of fundamentalist "Christianity" and a Nazitype political belief. Today there are over 250 people, almost all West German citizens in Colonia Dignidad, and a few

sect members have remained in Siegburg. According to various reports, including testimonies from the few members who have been able to leave the group, members are suppressed by the leadership of the sect through a rigid system of surveillance and control under the pretext of religious obedience. The leaders administer beatings and drugs, among other things, to keep the people quiet.

The United Nations Economic and Social Council describes Colonia Dignidad as "a large agricultural and cattle farm.... which includes land in the Andean mountains right up to the Argentinian border. ... According to one source of information, many of the people of the list of 119 prisoners who have disappeared were in Colonia Dignidad and it is possible that they are still there." (Report E/CN.4, para.129, 4/4/1976)

Another UN report suggests that Colonia Dignidad also serves as a laboratory designed to perfect the "science" of torture. "Prisoners have allegedly been subjected to different 'experiments' without any interrogation; to 'tests' of the limits of resistance to different methods of torture; General Manuel Contreras himself. To preto 'experiments' to drive detainees crazy through administration of drugs..." (Protection of Human Rights in Chile, A31/253, para. 171, p. 97, 10/8/1976)

These two UN reports are but a small ternational. However, a West German judge, Dr. Fuchs decided that AI "could not prove their accusations sufficiently", and granted a temporary injunction which forbade AI to state that Colonia Dignidad was a torture camp and banned the distribution of the booklet. (Interestingly enough, the same Dr. Fuchs was a member of the Nazi Party under Hitler.)

Since this original injunction in April, 1977, courts in Bonn have held a number of sessions and heard witnesses testifying on behalf of Amnesty International. Among them were seven Chileans, who say they were tortured in Colonia Dignidad.

One of them is Erick Zott. In January 1975 he was arrested by the DINA and taken to various detention centers, where he was severely tortured. At one point, he was transferred to "The Germans", as his guards Matias". The son of a Department of Decalled it. "The Germans", Zott found out, lived in Colonia Dignidad. He was held there for several days and tortured in a way he describes as "scientific", "much worse than anything before", and as a

"planned event": "It might sound ridiculous", he says, "but compared to Colonia Dignidad, Villa Grimaldi (another DINA torture center where he had been kept before) was a place to relax."

Zott managed to escape the fate of perhaps hundreds of prisoners who have been killed in Colonia Dignidad and was taken from there to yet another detention center. Eventually, he was released and had to flee his country.

On October 30, 1979, Zott was called again to testify in the court in Bonn. He recognized the second person in the witness stand right away. He was Samuel Fuenzalida Devia - the same person who had been one of his DINA guards in Villa Grimaldi. As it turned out, Fuenzalida's testimony provided vital confirmation of Amnesty International's case against Colonia Dignidad. For he, unlike the frequently blindfolded and tortured prisoners had witnessed operations there from a privileged perspective of a DINA officer.

After a tour of service in the Army, Fuenzalida had joined DINA in November 1973 and was welcomed into his new job by pare him for service Fuenzalida attended three months course of study on the "methods of repression" in Las Rocas de Santo Domingo.

Once trained, Fuenzalida was considered part of the evidence offered by Amnesty In- a full member of the DINA and assigned to the Brigada de Inteligencia Metropolitana (BIM, a subdepartment of the DINA) under the command of DINA general, Manuel Manriquez. There, in Fuenzalida's own words, "I was to practice what I had learned: psychological warfare, combating the guerillas, infiltration of the population. We had also been trained in hand-tohand combat." First Fuenzalida was sent to #90 Marcoleta Street, DINA general headquarters in Santiago. Later he was transferred to the headquarters of operation, officially called "Terra Nova", but better known as Villa Grimaldi.

> Fuenzalida's first inside view of the Colonia was in July 1974. With a Captain of the DINA, Fuenzalida first went to the detention center Cuatro Alamos to fetch a prisoner who went by the name of "Loro fense official, "Loro Matias" was a member of the MIR (Movimiento Izquierda Revolucionaria - Left Revolutionary Movement). His real name is Alvaro Modesto Vallejas Villagran. He is listed as one of the more

than 2,000 disappeared.

Fuenzalida knew "Loro Matias" well since he himself had spied on him before he was arrested. When Fuenzalida went to get him ("We took him from Cuatro Alamos in handcuffs... He was completely broken. He had been tortured. Too much had happened to him to let him free again.") he knew that Vallejas had been selected for "Puerto Montt". This was the DINA term used to indicate that a prisoner was to be killed on land. (Another term, "La Moneda", meant that a prisoner was to be killed by being dropped from an airplane into the sea.)

tain and Fuenzalida put "Loro Matias" in a 1977, when he gave his testimony), there Mercedes Benz which belonged to the Colonia. The Captain got into the Mercedes as well, together with a German from Dignidad who was generally referred to as the "professor", and "seemed to be the head of the Colonia Dignidad". (In the courtroom in Bonn, Fuenzalida was able to identify the "professor" on a photo - he is Paul Schaefer himself, the head and founder of the

Fuenzalida was later led into a dining room, and even though it was already past midnight, he was invited for a meal. After a few minutes, the Captain and the "professor" came into the room, indicating that Alvaro Vallejas had been killed. When Fuenzalida returned to Santiago, he noticed that "Loro Matias'" card had disappeared from the catalogue of prisoners.

Some weeks later, Samuel Fuenzalida went to the Colonia a second time. He had been sent on a DINA mission to southern Chile; and on the way back he stopped in Parral where he talked to the DINA agents there. They told him that "up there with the Germans" the interrogations were more "psy- . chological" - more scientific. They also said that the prisoners who were killed in Dignidad were buried on Colonia Dignidad grounds near the mountains.

When it was night, Fuenzalida went to the Colonia with two other DINA officers. One of them conducted interrogations there together with a Brazilian. (Several prisoners who were tortured in the Colonia had testified that a man with a Portuguese accent took part in their interrogation.) They went to Dignidad to get some "parcels" (prisoners). However, the prisoners were not there and Fuenzalida was invited to stay over night, which he did. He went back to Santiago the next morning.

Samuel Fuenzalida Devia now lives in West Germany. Unsatisfied with his "job", he left DINA and Chile at the end of 1975.

Other parts of the story on Colonia Dignidad were pieced together when Juan René Muñoz Alarcon, like Fuenzalida a former DINA agent, was assassinated in Santiago in October 1977, four months after he had left DINA and given testimony there to a Chilean church organization.

Muhoz stated it was in Colonia Dignidad that he was taught to interrogate people and given "training sessions and lectures about the working methods of the secret po-After arriving in Dignidad, the DINA Cap-lice" He also said that at the time (June were 112 prisoners in Colonia Dignidad. (Munoz's statement, reprinted in full length in the December, 1978 issue of CounterSpy magazine, provides valuable information on DINA actions and its collaboration with the U.S. CIA.)

> As if it were not enough that the Chilean government was using Colonia Dignidad as a torture and concentration camp, information that became available during the course of the trial - which is now in its fourth year - proves that West German governmental officials and high ranking members of the West German Christian Democrats have been and are directly involved in aiding Colonia Dignidad.

> One of the most vocal supporters is Erich Straetling, formerly West German ambassador to Chile and now pursuing his diplomatic career in Canada. He was a guest of Colonia Dignidad's leader, Paul Schaefer, in November 1976. Naturally, he didn't notice that Dignidad was used as a torture camp and had nothing but praise for the "model farm" after his one day visit. Straetling stated flatly that the UN accusations were completely false.

> Reports on torture in Colonia Dignidad and inquiries by West German citizens about mistreatment of their relatives who were members of the Colonia Dignidad sect were generally suppressed in the West German embassy in Chile. Embassy officials often granted Dignidad leaders special favors in matters such as passport renewals. Erich Straetling went so far as to offer that he would be willing to testify in a West German court on behalf of the Colonia Dignidad. In addition, information obtained by the <u>Siegburger Presse</u> indicates that Straetling is also a member of a recently created "Friendship Circle Colonia Digni-

dad", which has taken on the task of defending the Colonia.

Other persons who have visited Colonia Dignidad and praised it as a "German model farm" are representatives of the state government of Bavaria and officials from the CSU-controlled Hanns Seidel Stiftung (foundation). Another supporter of the Christian Democrats, Gerhard Mertins of Merex, received a vary favorable impression of the work of the Colonia Dignidad people. He praised the camp as a very important factor in its geographical area. In general, Mertins supports the government of General Pinochet and says it is improving the social situation of the Chilean people "day by day".

Wolfgang Vogelgesang, another CSU official, was invited by Colonia Dignidad leaders to visit for a few days in late 1979. He enjoyed his time there and wrote after his return that Colonia Dignidad is "hope for Germany. People there live from the past, and think like Franz Josef Strauss...."

Strauss' mouthpiece, the right wing Bayernkurier also defends Dignidad and sees in it a "benefactory institution, cleanliness, order. And much love and a motherly atmosphere."

The trial in Bonn continues, and chances have increased that the judges will be forced to reverse their decision and allow distribution of the Amnesty International booklet again. In the mean-

time, quite a few questions about the real nature of Colonia Dignidad are still unanswered.

According to several reports, including an article in the Washington Post in February this year, Colonia Dignidad has a mansion in Santiago "filled with electronic equipment. The house has high walls and an unlisted telephone, something that is normally prohibited by Chile's military government." Washington Post reporter Charles Krause was threatened with arrest by undercover police officers when he tried to enter Dignidad, and his film was taken away.

According to Nazi-hunter Simon Wiesenthal as well as the FBI there is evidence that Josef Mengele, who is responsible for the deaths of hundred thousands of Jews in the Nazi period, was hiding in Colonia Dignidad. This charge has been denied vehemently by Colonia Dignidad leaders.

How long can Colonia Dignidad hold out against the mounting evidence against it? One reason it has been able to hold out so far is certainly its friendship with the Chilean government (including General Pinochet who visited the camp in 1974) and high ranking and prominent West German politicians and diplomats. One wonders, however, when they will get cold feet. After all, it's not good publicity to be known as a friend of people who run a torture camp for the Chilean military dictatorship.

## U.S. Rank and File: Ban AIFLD in El Salvador by Frank Arnold

(Ed. note: Frank Arnold is Secretary-Treasurer of the Southwest Labor Studies Association and a member of the International Association of Machinists and Aerospace Workers AFL-CIO.)

A resolution calling on the AFL-CIO Executive Council to "disassociate itself from the AIFLD (American Institute for Free Labor Development) program in El Salvador" was adopted without dissent on September 15, 1980 by the Central Labor Council of Santa Clara County AFL-CIO.

The resolution points out that the Human Rights Commission of the Archdiocese of San Salvador has documented 3509 assassinations along with hundreds of illegal detentions and disappeared persons in El Salvador from the October 15, 1979 inception of the present Salvadorean regime to June 21, 1980. A majority of these human rights violations have been directed against the working people, according to the resolution. The bombings of the Coca Cola and the Electrical Workers union halls during the week of

Victor Reuther, International Director, United Automobile Workers (in On Company Business, Part II, 5/16/80, produced by WNET/13):

".. if one looks at the long list of corporations that initially contributed to the establishment of the AF of L's American Institute for Free Labor Development it includes not only United Fruit, but also Anaconda Copper and a whole string of U.S. corporations that have never voluntarily accepted their obligation to pay decent wages and provide good working conditions in the United States. They always had to be forced to do it through union organizing and strike action, etc., and why suddenly these corporate interests should be embraced as allies and be foisted on Latin American labor or any other American labor groups ... as people with credentials suitable for picking future trade union leaders and training them, this is beyond my imagination."

June 26 to July 3, 1980 are cited as examples of such violations. The AIFLD "has not condemned these violations of human and workers' rights," according to the resolution.

This is possibly the first time an AFL-CIO Central Body has made such a strong recommendation on the AIFLD to the AFL-CIO Executive Council. Nevertheless, AIFLD has stirred some controversy within the labor movement generally at least since the 1973 overthrow of the democratically elected government of Salvador Allende in Chile. It is well known there has been serious discussion of AIFLD within several AFL-CIO unions in recent years due to the development of information on the political use of AIFLD by agencies of the U.S. government and the feeling by some that an agency that has representatives of many of the major multi-nationals with interests in Latin America and the Caribbean on its Board of Directors (as AIFLD does) might not be truly interested in "free trade unionism".

The publication in 1974 of information linking the AIFLD to the CIA and to the overthrow of the 'Allende government inspired the Central Labor Council of Santa

Clara County to send a resolution to the AFL-CIO in Washington, D.C. asking them "to provide information that will enable this Council to reaffirm the integrity and high purpose of the AFL-CIO in foreign, as well as in domestic affairs..." In response to that resolution AIFLD Executive Director William C. Doherty, Jr., and an assistant flew out to San Jose and addressed the Council at a packed meeting in a way many who attended felt was intimidating rather than reaffirming.

Much new information about AIFLD has been uncovered since 1974 including that contained in the recent three-hour documentary On Company Business shown on public television. The documentary examines in considerable detail the AIFLD-CIA connection and includes interviews with Victor Reuther and others who had intimate knowledge of that connection.

Given the new documentation and considering the fact that several international unions have taken, or are considering taking, positions opposing the political use of AIFLD; the AFL-CIO reaction to the Santa Clara County Labor Council resolution will be an indicator of the relative strength of the minority of progressives on the AFL-CIO Executive Council.



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# Open Letter to the Labor Movement

## by Richard Hobbs

(Ed. note: This Open Letter was presented as a background paper for the resolution on AIFLD which was adopted by the Central Labor Council of Santa Clara County AFL-CIO as described in the preceding story. It refers to an article by Roy Prosterman and Mary Temple in the AFL-CIO's Free Trade Union News defending U.S.-inspired "land reform" in El Salvador.

Richard Hobbs is a delegate to the Central Labor Council of Santa Clara County, and a member of the International Brotherhood of Teamsters, Local 679 as well as COPE Chairperson of the Executive Board, American Federation of Teachers, Local 957.)

The June 1980 article written by Roy Prosterman and Mary Temple for the AFL-CIO Free Trade Union News represents an attempt to confuse American workers on the question of El Salvador through a careful selection of one-sided data and arguments. Not only is the blood on the hands of the Salvadorean junta cleansed and its undemocratic nature absolved by the thrust of the Prosterman-Temple article, but wild insinuations and doubtful representation of facts interspice the presentation on "Land Reform in El Salvador".

Evidence available at the time of the writing of the Prosterman-Temple article and more evidence accumulated since then suggests that the AFL-CIO should disassociate itself from the AIFLD program in El Salvador.

Why the facade? Shouldn't American workers know that since December 1931, during 49 arduous years for Salvadorean workers, no free elections have been held? Shouldn't American workers know that the present military members of the junta were part of the same armed forces that in 1973 and 1977 committed gross electoral fraud? Should't American workers know that according to the Legal Aid Office of the Archdiocese of San Salvador (whose claims have never been refuted by the junta), 3,425 farmworkers, industrial work-

ers, public employees, teachers, students, small merchants, and unidentified persons were assassinated from Jan. 1 to Aug.11 of this year, 80% of them directly by the armed forces of the junta and the rest by right-wing paramilitary groups supported by the junta ? Shouldn't American workers know that neither the State Department nor the AFL-CIO have protested this massive violation of human rights ? Shouldn't American workers know that the British Labour Party, the West German Social Democratic Party, and the three largest Italian trade union federations have protested these tactics of terror of the Salvadorean junta?

Shouldn't American workers know that at the time the Prosterman-Temple article was written, Amnesty International (in its June 24 letter to Secretary of State Edmund Muskie) protested that "Since the 3 January 1980 resignation of much of the Salvadorean government -- on human rights grounds -- at least 2,000 Salvadoreans have been killed or 'disappeared' while in the hands of conventional and auxiliary security forces in El Salvador. Many were tortured and savagely mutilated -- arms lopped off, flayed, beheaded." ? Shouldn't American workers know that (according to Amnesty International) "in the cities, membership of a union, a neighborhood association, a church group or a political party... makes one liable to detention and murder..." ? Shouldn't American workers know that on the very day in March that the agrarian reform was decreed by the governing Salvadorean junta, all civil liberties were suspended, and Salvadorean workers continue to live under a State of Siege ? Shouldn't American workers know that dozens of trade union halls have been destroyed since the junta took power less than a year ago ? Shouldn't American workers know that the AIFLD consultant in El Salvador Roy Prosterman is known for his role in the South Vietnamese agrarian pacification program called "The Land of the Tiller" ? None of this is mentioned in the Prosterman-Temple article.

Instead, Temple and Prosterman leave American workers with the unambiguous conclusion that the AIFLD rural program in El Salvador is "crucial to the development of a broadly supported democratic government" and without it, we will have "the probable victory of a far left so extreme the comparison with Pol Pot's reign in Cambodia would not be far-fetched."

The late Archbishop of San Salvador, Msr. Oscar Romero, who was mysteriously assassinated by members of a rightwing paramilitary group while under watch by the Salvadorean armed forces, characterized the agrarian reform promoted by the junta and the AIFLD as one of "reform and repression", since 90 farmworkers were ! killed in the week following the March 6 announcement of the reform. In the middle of that bloody week, a leading member of the Christian Democratic Party who had been a member of the junta, Hector Dada Hirezi, resigned from the junta, stating, "How is the present process going to be successful if farmworkers are repressed daily for the sole crime of organizing? How is this process going to be possible if the organizations that contain thousands of farmworkers haven't even been consulted, and if on the contrary, the daily and mounting repression of these organizations makes dialogue impossible with them ? How is this process, which the (Christian Democratic) Party conceived as democratic, going to be possible if it is being carried out under a state of siege?"

How can the AFL-CIO Free Trade Union News leave American workers with the sinuation that the present government is either "broadly supported" or "demccratic", when tens of thousands of organized workers are not consulted but repressed, not free to organize but under a state of siege ? And upon what basis can Temple and Prosterman honestly engage in the speculative characterization of the Revolutionary Democratic Front, which unites the overwhelming majority of Salvadorean unions, slum-dweller associations, and political parties, and which according to Roberto Cuellar of the Legal Aid Office of the Archdiocese of San Salvador (in a speech given in San Jose, CA on July 12) maintains the active support and sympathy of 80% of the Salvadorean people, as "so extreme the comparison with Pol Pot's reign in Cambodia would not be farfetched ?"

In terms of the agrarian reform itself, the AIFLD material for the Congressional Record (5/12/80) states that "... within a year .. El Salvador will begin to experience an economic miracle with the potential to become the Japan of Central America". The Prosterman-Temple article also alludes to "new Japan-style economic development" in El Salvador and clearly insinuates that El Salvador's agrarian process can follow the same path as the U.S. Homestead Act of 1862.

Aside from the fact that neither Japan nor the U.S. were strapped with the need to pay a high percentage of debts to the International Monetary Fund (IMF) in export earnings (in this sense, the Peruvian land reform failure with its present astronomical inflation rate and high indebtedness to the IMF represents a much more likely example of the probably outcome of the Salvadorean reform), the following three sets of quotations from a U.S. Government Memorandum dated August 8, 1980 should shed some light on the possibility of the "Japanization" of El Salvador:

a) Phase III (the "Land for the Tiller" phase) of the land reform "presents the most confusing aspect of the reform program, and it could prove especially troublesome for the U.S. because it was decreed without advance discussion, except in very limited government circles, and, we are told, it is considered by key Salvadorean officials as misguided and U.S. imposed initiative.

"It may not fit the situation in the countryside, where there are many different kinds of landlords, including some very poor ones; when the land is divided into tiny parcels and shifting field agriculture practices are required because of the quality of the soil; and where there is, in the best of times, serious confusion and conflict over land boundaries and rights."

b) Don Kanel and William Thiesenhusen of the University of Wisconsin's Land Tenure Center warned:

"In some cases owners of small 4 to 5 manzana tracts leave their plots and houses in the hands of other landless people during the dry season so that they can watch it. The owners, in turn, search for dry season employment. Are the lands of these people to be expropriated?

"In some cases school teachers or other members of the lower middle class have

accumulated several manzanas in the countryside as a type of social security. Are the lands of these people to be expropriated?"

"In some cases 1-2 manzana milpas are being rented in these admittedly non-viable units. They may well find it difficult to join a land reform cooperative. Should ownership to these lands be granted?"

"The point... is that the losers in this process may well be simply others in the very poor sector of the economy. In this sense El Salvador is very different from Japan and other parts of Southeast Asia and, indeed, quite different from other Latin American countries that do not have the extreme pressure on the land that exists there."

c) In July, well informed U.S. obervers in El Salvador reported that "The creation of an impossibly complex land registry snarl as perhaps 200,000 or more parcels suddenly need definition, registry, and mortgage management is a real possibility. Similarly, credit, input delivery and especially marketing systems must be created for the beneficiaries who formerly in many cases depended on their patronos for such services."

These quotes from an August 8, 1980 U.S. Government Memorandum, written two months following the Prosterman-Temple article, throw grave doubts upon the viability of the "Japan-style" agrarian reform process. Why should the AFL-CIO be sponsoring an AIFLD program in El Salvador which is considered a "misguided and U.S. imposed initiative", one which "was decreed without advance discussion" ? Why should the AFL-CIO sponsor an AIFLD program in which "the losers may well be simply others in the very poor sector of the economy" ? Why should the AFL-CIO sponsor an AIFLD program which would tie small landowners the land (for 30 years) and not provide them with cheap and adequate credit, tools, seed, fertilizer, and distribution methods ?

According to the same U.S. Government Memorandum, the first phase of the agrarian reform (expropriating holdings above 500 hectares) covers "about 240 holdings" This August memorandum contradicts the June Prosterman-Temple article, which states that the March 5 decreed land reform has "transferred ownership of the 376 holdings above 1,200 acres (500 hectares)." To what is this difference at-

tributable ?

The U.S. Government Memorandum, written after the Prosterman-Temple article, points to the real possibility of "the creation of an impossibly complex land registry snarl." How does this coincide with the Prosterman-Temple statement that the reform has "transferred ownership of the land they cultivate to ... 150,000 campesino families"?

Whereas the <u>June</u> article by Prosterman and Temple states that <u>all</u> expropriations of land above 500 hectares were completed at that time, the <u>August U.S. Government Memorandum says that this process "is almost finished". Why this discrepancy?</u>

Finally, the conclusion of the Temple-Prosterman article points to "the importance of genuine grass roots participation in the formulation and implementation of rural development policies." Aside from the fact that El Salvador is under a State of Siege since the day the land reform was decreed, aside from the fact that (as the U.S. Government Memorandum admits) the Land of the Tiller program was "decreed without advance discussion", other evidence casts clouds of doubt upon the Prosterman-Temple statement. First of all, the same Memorandum states that Phase One "has been carried out with military help". Secondly, when Jorge Villacorta, Undersecretary of Agriculture, resigned from the junta the week following the agrarian reform decree, he stated that: "It is impossible to work in that situation because there is no possibility of (the Ministry of Agriculture and the Institute of Agrarian Reform) participating in the decisionmaking process. The result is that the government is losing the minimal support it once had and the leadership of the reform is falling completely under the control of the right."

Third, according to the U.S. Ecumenical Program for Inter-American Communication and Action (EPICA) report entitled History and Motivations of U.S. Involvement in the Control of the Peasant Movement in El Salvador, "The military and para-military forces are carrying out this reform with a ruthlessness that makes the repression of the past latifundistas and the Romero government (1977-79) appear moderate and restrained by comparison. It is important for North Americans to understand that this is an imposed reform, forced upon the the Salvadorean military and upon the

people by U.S. fiat."

Fourth, EPICA cites internal sources as stating that only well-known members of the UCS (Union Communal Salvadorena, funded and founded by the AIFLD) and ORDEN (the right-wing paramilitary group, now called the Nationalist Democratic Front, responsible for hundreds of assassinations) are receiving land from the junta reform. Amnesty International also makes reference to this UCS-ORDEN-Junta alliance.

Fifth, the May EPICA report states that "Roy Prosterman... has a direct phone connection with the Supreme Command (of the Salvadorean Armed Forces)", and concludes that the agrarian reform is "another U.S. pacification program aimed at forcing some North American version of progress upon the Salvadorean people through force." How do these reports, which need to be answered one at a time, coincide with "genuine grass roots participation in the formation and implementation of rural development policies"?

One other agrarian reform-related item needs further explanation. In 1977, when John Strasma, Professor of Economics at the University of Wisconsin, performed an independent audit-investigation of the UCS, he stated that the AIFLD was aware of the misappropriation of funds by UCS leader and AIFLD field representative Tito Castro and did nothing about it. In fact, Michael Hammer, AIFLD's regional director for Central America, defended Castro. Strasma's findings included the following statements: "Tito Castro has falsified far more documents, and has pocketed substantial amounts of Foundation (the Interamerican Foundation, also a supporter of UCS) money. Rodolfo Viera, in close alliance with Tito, appears to have pocketed even more funds... Neither Castro nor Rodolfo Viera should be financed in any way by U.S. tax payer funds until restitution has been made; AIFLD should terminate them as quickly as possible."

Three questions arise: a) Shouldn't the AFL-CIO disassociate itself with these misappropriators of U.S. tax dollars? b) Can Rodolfo Viera, named by the junta as the head of the Institute of Agrarian Reform, be considered an honest and reliable AFL-CIO/AIFLD inspiration to American workers? c) Michael Hammer of the AIFLD appears in a photograph as an advisor to Viera in an April 20 meeting in El Salvador on the agrarian reform, the photo ap-

pearing in the Free Trade Union News
Prosterman-Temple article. Doesn't this
graphically illustrate what the U.S. Government Memorandum refers to as a perceived "U.S. inspired initiative"?

According to the May Congressional Record article, reprinted as a courtesy by the AIFLD, the U.S. Agency for International Development has granted \$1 million to the AIFLD for the UCS during this year. The EPICA reports states that the top two floors of the Sheraton Hotel in San Salvador were occupied after the coup "in droves" by "large numbers of AIFLD personnel". And yet when I spoke to Jack Heberle, Head of Information Services of the AIFLD in Washington, D.C., on July 8, he said that AID was funding only one AIFLD position in El Salvador. Can you explain this apparent paradox?

To conclude this set of inquiries, it is reported that the Standard Oil Company of New Jersey, the First National City Bank, the Standard Fruit Company, and Crown Zellerbach have co-sponsored the AIFLD and have helped it financially and organizationally. These four corporations, operating in El Salvador at the present time, would appear to have little interest in protecting free labor development. Do we ask their Board of Directors to serve as advisors to union negotiators when we U.S. trade unionists are negotiating a contract ? Do our unions seek their financial backing ? This is the question which must be asked in El Salvador, when AIFLD-backed organizations such as the UCS seek to protect truly independent and free trade union objectives. Is this not a clear conflict of interest in El Salvador ?

According to the International Labor Organization and Organization of American States charters, workers have the right to associate, organize, and administer their own activities freely. All of this, and even the right to life, have been denied Salvadorean workers, except for small U.S. and junta-backed organizations. On August 22 the Secretary General of the Union of Electrical Workers (STECEL) and the Secretary General of the National Federation of Salvadorean Workers (FENASTRAS) were arrested, and the following day a junta decree militarized all public state services including the Subministry of Water (ANDA), Communications (ANTEL), Electrical Energy (CEL), and the ports (CEPA). The bombings of union halls continue. The State of Siege continues.

Excuse the polemical and at times rhetorical style used in this letter, to which I hope you will respond. I am upset by what is happening in El Salvador and I feel our trade union dues and taxpayers money should in no way back up what is occurring in the little country of El Salva-

dor. The simplest of trade union principles require that we break relations with the AIFLD program in El Salvador, as the National Council of Churches has called for, and that we condemn the anti-union, anti-life strategies of the current Salvadorean regime.

# Rightwing Terror in Guatemala

(Ed. note: John Clements works for People's Translation Service and writes for Newsfront International.)

Guatemala, undoubtedly, is an area of mounting concern for U.S. policy makers. It is located close to the oilfields in Mexico, it borders civil war-torn El Salvador, and, until recently, was regarded as a country with a stable, pro-U.S. government. Today, the fabric of that authoritarian government is unraveling. It is important to know why the Guatemalan military is losing its hold on the population ... why the majority Indian population -- after centuries of induced passivity and decades of military dictatorships -- is joining factory workers and students to take up arms in increasing numbers with the goal of overthrowing the government.

Guatemalan Vice-President Francisco Villagran Kramer's resignation early September, 1980, while not unexpected, has injured the government's legitimacy both at home and abroad. When he announced his resignation (from Washington, D.C. out of fear for his life) Villagran pointed to continued and massive human rights violations as his reason for leaving. The former Vice-President, considered a moderate in Guatemala, frequently had accused the military government of General Romeo Lucas Garcia of killing off its political opposition. In March of this year Villagran told the press "there are no political prisoners in Guatemala, only political murders." Amnesty International has made the same accusation a number of times. Former Vice-President Villagran announced his resignation shortly after

### by John Clements

news was published of a further crackdown on the trade unions by the Guatemalan military.

Another recent event -- which has yet to be reported by the U.S. press -- adds substantial detail to Villagran's accusations of deep government involvement in the systematic terrorism which the Guatemalan Commission on Human Rights says leaves eight to twelve mutilated bodies along the streets and roads of Guatemala each day.

The Guatemalan Interior Ministry's Press Secretary, Elias Barahona y Barahona, disclosed at a press conference in Panama, on September 4, 1980 that he had been an infiltrator for the Guerilla Army of the Poor (EGP), an armed leftist organization. The press conference was reported by Inter Press Service, a Third World news agency, distributed in the U.S. by Interlink Press Service. The former confidant of high government leaders in Guatemala's military regime told the IPS Panama City correspondent that he had taken the job in the Interior Ministry with the approval of the leadership of the EGP in order to "tell the world" what is going on in his country

He makes the following accusations: Four years ago, when he began his work in the Interior Ministry, under instructions from the Minister of Interior, Colonel Donaldo Alvarez Ruiz, Barahona savs he wrote communiques the "Secret Anti-Communist Army" (ESA), using ESA letterhead stationary. Alvarez also showed him letterhead stationary from the "Squadron of Death", the other main rightist group. These two groups, says IPS's Arqueles Morales, are responsible for some 2,000 deaths over the past three months.

Barahona says that the leadership of the

Ed Bradley: "In the months following the 1953 coup in Iran, the White House and the CIA were running 48 major covert actions. David Phillips was on the team that overthrew the government of Guatemala in 1954."

David Phillips: "The Cold War was very, very hot indeed. There was no question about what American policymakers wanted in the world. And they saw something that frightened them in Central America, and that was the ascendanou of a man - a Marxist-oriented, not a communist - leader in that country, and they felt, as Eisenhower put it, there would be a Soviet beachhead. It was deoided - a decision was made that the foreign policy would be to, using clandestine operations, to change that government."

Ed Bradley: "Was that their only con-

cern in Guatemala, the Russians?"
David Phillips: "Ed, it would be dishonest for anyone who's spent 25 years in the corridors of secret operations to say that there aren't always other considerations. There were considerations. of American business. That's been one of the things that intelligence has been attacked for. These things do make a difference."

Ed Bradley: "The CIA would be used to get rid of President Arbenz of Guatemala. Arbenz had legalized the Communist Party, taken over an American-owned United Fruit Company plantation, and he was moving towards land reform. Anti-Arbenz demonstrators suddenly filled

the streets of Guatemala City. Russian weapons were mysteriously dropped from unmarked planes. Arbenz insisted they came from provocateurs trying to discredit him. Small bands of rebels were provided arms by the CIA. The leader of the opposition forces was said to have only a few hundred followers, but CIA broadcasts announced that large rebel forces were converging on Guatemala City. It was the big lie, and it worked. President Arbenz panicked. He resigned and fled the country."

David Phillips: "So a government was -changed, and I think there's considerable room for debate as to whether our country should do that sort of thing or not. In that particular case, everyone approved thoroughly, I can promise you."

Ed Bradley: "Everyone, in this case, was President Eisenhower and Secretary of State John Foster Dulles."

David Phillips: "It was the easy way to do things. How much more convenient for a U.S. President to do something quietly, without having to have the approval of the public and the approval of the Congress."

Ed Bradley: "After the coup in Guatemala, a military junta took over. Death squads eliminated the opposition. Today, that country is still one of the most repressive and unstable in Latin America."

Return of the CIA, as broadcast over the CBS Television Network, 6/14/80, 10 PM, EDT, produced by CBS News.

terrorist groups is almost indistinguishable from the leadership of the government. He names the President of the country, General Romeo Lucas Garcia; the Minister of Defense and army Chief-of-Staff, General René Mendoza Palomo; Minister of the Interior Alvarez; former presidents, General Kjell Laugerud Garcia and General Carlos Arana Osorio; and General Anibal Guevara Rodríguez as the principal leaders able to reach him for that purpose. of the terrorist organizations.

Barahona says he had a close-up look at CIA activities in Guatemala. He says that, in addition to the U.S. ambassador, "Interior Minister Alvarez maintained periodic contacts with Jim Danisis in the U.S. likely that they will first see battle in diplomatic mission and, on a higher level, El Salvador if the progressive forces co. Barahona further says that rightist

leader, Mario Sandoval Alarcon, a former president of the country; Congressional Representative Lionel Sisnero Otero; Miguel Ortiz Pasarelli; an ex-president of the Court of Justice; and journalists Mario David Garcia and Antonio Najera Saravia are agents of the CIA in Guatemala. He states he can provide proof for these charges although we have not been

According to Barahona, the Lucas Garcia government "is organizing and preparing militarily some 2,000 former Nicaraguan National Guardsmen living in Guatemala in order to attack Nicaragua. He says it is with Julian Kilhewer, who is now in Mexi- start winning the civil war there. He adds that "the Director of Migrations, Colonel

Raul Alvarez Baltatan told me that President Lucas Garcia ordered him to allow (the 2,000 Nicaraguan nationals) to assume their secretary lie to the Spanish Ambas-Guatemalan citizenship and join the Guate- sador to Guatemala, Maximo Cayal y Lopez, malan Army." Barahona further asserts that who tried to reach them from the Embassy. the Guatemalan government and army are the Cajal was told on several occasions that linchpin of a plan whose first stage will be intervention in El Salvador but which is strategically aimed at Nicaragua.

under the control of the Guatemalan government, financed by some 250 plantation owners, have trained some 5,000 mercenaries in their battle against "subversion". 200 elite Guatemalan officers, trained in counterinsurgency, have been deployed to the Guatemalan-Salvadoran border to work with the Salvadoran Army as well, according to Barahona.

told him that President Lucas Garcia has received guarantees from the United States that "if a critical situation develops in El Salvador, Guatemala can depend on discreet material, economic and logistic sup- years ago. Serving as press chief in the port for intervention in that country."

Through an agreement with the U.S., he says, Israel is supplying military equipment to make up for U.S. aid which has been cut off. Barahona claims personal knowledge of 50,000 rifles, 1,000 machine guns, a million rounds of ammunition and several aircraft and helicopters which the Israelis have supplied to Guatemala. "The goal", he says, "is to have people believe that the United States is no longer the dominant force in Guatemala because of the apparent withdrawal of military aid and technical assistance; but this is not the case." Barahona quotes former Guatemalan Defense Minister, General Otto Spiegler, who said publicly that the Guatemalan Armed Forces "receive indirectly technical and military aid from the United States." Another part of indirect U.S. aid is, Barahona says, military and police training for several hundred Guatemalan officers in Chile and Argentina.

On January 31, 1980, a peasant and student occupation of the Spanish Embassy in Guatemala City began. According to Barahona, when Interior Minister Alvarez informed President Lucas Garcia that a group of peasants and students had taken over the Embassy, the President's response have one more reason to fight their govwas "Get them out of there, we can't allow ernment and the U.S. government in order focal points of agitation." Barahona says to achieve freedom from oppression.

that, in his presence, Alvarez and Foreign Minister Rafael Castillo Valdez each had the two ministers were out of their offices. In fact, the two of them conferred in the Interior Ministry, again, Barahona He also says the terrorist organizations says, in his presence, deciding along with President Lucas Garcia, to have the uniformed police force attack the Embassy. 39 people died in that attack which left the Spanish Embassy in ashes. Blaming the fire on the peasants, Alvarez later told the press that Spanish Consul, Jaime del Arbol, who died in the blaze, had authorized the attack. According to Barahona, Interior Minister Alvarez told him, laugh-Interior Minister Alvarez, says Barahona, inq, that "del Arbol can't deny it because he's dead."

> Elias Barahona y Barahona, age 37, was head of his journalists' union when he took on the Interior Ministry job, four Ministry all that time, he must have won the trust of the country's leaders as he said he did but we may never get independent verification of these very serious charges. However, a look at press accounts from all sides tends to support the general thrust of what he says. Even the conservative press in Honduras and Guatemala have quoted various military leaders from those two countries and from El Salvador. to the effect that the U.S. military was working behind the scenes to support war against subversion"; Salvadorean opposition leaders have long accused Israel of supplying arms to that country's military-civilian junta; Israeli military aid to the deposed government of Anastasio Somoza has been documented by the Sandinista government in Nicaragua; and former Guatemalan Vice-President Villagran and Amnesty International have repeatedly pointed the finger at the same generals who Barahona definitively names as "the leaders of the rightist terrorist organizations."

> Barahona depicts a conspiracy with solid -- if discreet -- connections to Washington. If his accusations are true, in spite of the Carter administration's official hands-off policy, the Guatemalan people

# **CIA Cops in Guatemala**

The following Guatemalan police officers received special, CIA directed training in the U.S. from 1963 to 1974. Their Office of Public Safety courses included classes and training in Police Intelligence, Counterinsurgency Intelligence, Planning for Riot Control, Targets of Insurgency, Chemical Munitions, Explosives and Demolitions, Planning for Roit Control, and Crowd and Mob Psychology.

In addition, for the CIA, the Office of Public Safety program served as an excellent field for recruitment and for extending the CIA infrastructure in Guatemala

Victor Manuel Abadia (9-12/70); Ruben Dario Aguilar Cifuentes (5-9/67); Jose Arnoldo Aguilar Flores (2-6/72); Jorge Adolfo Aguilar Ovalle (4-7/63); Rene Prado Aguilar (8-10/71); Oscar Armando Alarcon Castellanos (1-5/72); Leocadio Alvarado Barrios (5/73); Domingo Alvarado Cabrera (11/73-3/74); Emilio Alvarado Chamale (2-6/72); Jose Luis Alvarado Garcia (12/68-4/69); Mario Raul Alvarado Juarez (4-8/67); Obispo Vidal Alvarado Reyes (12/68-4/69); Genaro Alvarado Robles (9-10/71); Miguel Angel Alvarado Rosales (8-11/69); Miguel Angel Alvarado (3-7/70); Jose Felix Alvarez Arevalo (2-6/73); Leopoldo Alvarez Morales (4-7/63); Enrique Humberto Anton Gordon (4-8/71); Adan Archila Martinez (8-12/69)

Carlos Rene Arellano (8-10/71); Conrado Anibal Argueta Duarte (4-8/67); Manuel Argueta Sagastume (8-12/67); Jose Crisanto Arreaga Garcia (6-10/68); Jose Efrain Arriaga Vargas (1-5/69); Bugo Armando Arteaga Aceituno (6-10/72); Ricardo Barrayo Chamo (12/70-4/71); Marcelino Barrientos Grijaiva (6-10/73); Elmee Avily Barrios Argueta (1-5/73); Martin Barrios Cabrera (5-9/67); Carlos Enrique Barrios Cuevas (1-2/63); Jose Higinio Barrios Meza (5-9/71); Gregorio Barrios Rabanales (6-10/68); Jose Luis Batres Gonzalez (4-7/63); Jose Luis Batres Gonzalez (8-12/68); Manuel de Jesus Beleton (12/67-4/68); Hector Enrique Beltran Giron (10/69-3/70); Carlos Humberto Biruna (6-10/69); Rodrigo Blanco Herrarte (6-9/72);

Cesar Antonio Bonilla Rivera (10/69-2/70); David Rene Cabrera Cruz (6-10/70); Oscar Armando Calderon Mijangos (1-4/63); Edgar Amilcac Calderon Morales (6-9/70); Monico Antonio Cano Perez (3-7/68); Jose Rigoberto Carcamo Sandoval (8-11/71); Carlos Humberto Cardona Reyes (8-10/71); Jorge Cardona (1-5/73); Humberto Carpio Lacanal (4-7/63); Guillermo Carrera Dardon (6-10/70); Luis Ernesto Castellan Pelen (1-5/74); Jorge Abraham Castellanos Rodriquez (10-12/72); Jose Angel Castillo Aguirre (1-5/69); Gamaliel Castillo Calderon (6-9/72); Edwin Rene Castillo Cardenas (11/72-3/73); Maximiliano Castillo Pineda (3-7/71); Jose Roberto Castillo y Castillo (1-5/73); Justo Rufino Castro Gonzalez (4-8/69); Jorge Ovidio Chacon Barahona (4-8/72);

Jose Lino Chacon Valdez (2-6/74); Pedro Claver Chinchilla Asencio (6-10/68); Francisco Chun; Romeo Enrique Cifuentes Santos (3-7/70); Juan Florencio Claudio-Sosa (4-6/74); Rodolfo Contreras Garcia (10/62); Alfonso Contreras Marroquin (6-10/73); Elmer Contreras Ramos (8-12/72); Romulo Cordova Gonzalez (1-5/71); Miguel Angel Cordova Meneses (5-9/71); Marco Guillermo Cordova Perez (1-5/70); Jesus Crus Fuentes (7-11/70); Armando Cruz Rodriguez (10/71-2/

72); Jose Antonio Dardon Sosa (3/67-10/67); Euler Bernardo de Leon Diaz (11/72-3/73); Oscar Rene de Leon Portillo (6-10/70); Mariano Efrain de Leon Rodriguez (8-12/72); Jacinto de Leon Sanchez (8-12/69);

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